

CHAPTER XIII

ENTITLED *AL-FULÚS AL-MASNÚ MIN AL-QIRTÁS,* OR THE MONEY MADE OF PAPER

On the appointed day of the next week the little boys were glad to observe that the number of public executions had fallen so far below the average that their uncle's entertainment of them could begin quite half an hour before the usual time. They were most eager to discover what further good fortune had befallen him by the Mercy of Allah.

The amiable old man opened his mouth and spoke:

“Two million gold pieces is a respectable sum of money. It weighs about thirty tons ... yes,” he calculated rapidly on his bejewelled fingers, “about thirty tons. The city could just produce it after scouring the country for miles around, searching all the more modest houses and melting down sundry antique lamps, wedding rings, sacred shrines and other gewgaws.

“The complete withdrawal of so much metal left them a little embarrassed for coin in everyday affairs, but really that was not my business. I packed a hundred strong iron chests with the bullion, reserving a few thousands in a leather bag, set them in carts, added to my retinue a hundred armed men, marked my cases plainly in large white letters ‘Sand consigned to the Sultan,’ and had all made ready to set out: but whither?

“Until a man's wealth has grown so great that [Pg 294] he can command the whole state, he is always in some peril. He is envied and a target for vile taxes—nay for confiscation.... I had not forgotten the dreadful lesson of the island! I pondered on what I had read of various regions, and had rejected each in turn as dangerous, when I heard by chance a man saying to his neighbour (with whom he was quarrelling), ‘Remember! This is not the country of Dirak where there is one law for the rich and another for the poor.’ As you may well believe I deeply considered these random words, and within an hour I was giving an excellent meal to a Learned Man who taught in the University, famous for his knowledge of foreign constitutions. I spoke of the Franks, of the Maghreb, of Rome. On all he was most interesting and full: he spoke also with contempt of certain wild tribes in the hills who have a strange custom of choosing a retired Chief annually from among the less wealthy members, under the barbarous error that modest means conduce to honesty and sharpen judgment.

“‘As in Dirak,’ said I casually.

“‘In Dirak?’ he exclaimed astonished. ‘Why! Who can have told you such tales? Dirak is the best administered, the most flourishing and the strongest of all states!’

“‘No doubt,’ I answered, ‘but what has that to do with it?’

“‘Why,’ said he, in sudden anger (for this kind of learned man is commonly half-mad) ‘it has everything to do with it! Such advantages can only come from the secure rule of the rich.... A fool could see that!’

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“I soothed him by immediate agreement, professed my admiration at his vast store of knowledge and pumped him all that afternoon on Dirak.

“It seemed that in this admirable region the Rich rule unquestioned to the immense profit of the State. The Sultan is kept on a strict allowance that he may be the puppet of the great merchants, bankers and landholders who are the masters of the Commonwealth and him. The middle classes are allowed a livelihood but no possessions, and are proud of their small incomes, which usually put them above the artizans; while the populace are content to swarm in hovels underground, to work hard all day and all the year round for a little food and to revere and acclaim the rich with frenzied cheers upon all public occasions. Laws and proclamations are purchased, and their administration is in the hands of the rich, of whom a select few sit upon the bench and condemn a fixed number of the populace, and a few of the middle classes, to imprisonment every year by way of discipline and example. No man possessing more than a hundred thousand gold pieces worth of land or stock can be punished, and if a poor man tell any displeasing thing of such a one he is beaten till he admits his falsehood or, if he prove obstinate, slowly starved to death.

“It is a model State. All is in perfect order. The palaces of the rulers are the most magnificent in the world: all public office is faithfully and punctually performed. It is the envy of every neighbour, the pride and delight of every citizen however mean; for—what is the basis of the whole affair—every man in Dirak is esteemed by the[Pg 296] extent of his possessions alone; writing and music and work in metals and painted tiles are esteemed for the pretty things they are: holiness is revered indeed, but confined to the well-to-do; and a man’s virtue, judgment and wit are rightly gauged by his property.

“My many adventures had somewhat blunted me to new sensations. But I confess (my dear nephews) that as I heard this tale an ecstasy filled my soul. I masked my emotions and simply said, ‘An interesting place!’

“‘It is reached by a plain road from here,’ volunteered the Learned Man, ‘though at the expense of a long journey: for it takes a caravan quite a month to reach the capital of Dirak from this place. You go up the river to its source in the hills, a week’s travel to the east; then the well-marked road leads you over a pass to a most singular cup or natural cauldron, with a flat, highly cultivated floor, formerly the bed of a lake and surrounded on all sides by precipitous limestone cliffs, down which the road descends by artificial cuttings in their surface. This strangely isolated spot, famous for its gardens and simple happiness, is called with its chief village Skandir, and strangers are there most hospitably entertained.

“‘The only issue thence, on the far side, is by a narrow gorge leading through the mountains, beyond which again are vast plains of grassy lands, the grazing place of nomads: well watered and provisioned at reasonable distances by simple but well furnished villages. The great road goes through all these, still eastward.

“‘These prairies get drier and drier as they[Pg 297] rise eastward until, for the last day of your progress, at the wells of Ayn-ayoum you must take a supply of water, for the next twenty-four

hours are desert. You reach a crest of the slow ascent and see below you from the summit of the road some half a day's going across the plain below, the magnificent capital of Dirak.

“This noble city, whose name is Mawazan, was founded by the enormously wealthy——”

“Yes! Yes!” I interrupted in a bored tone—for I knew all I wanted to know, ‘some day I must go there. A very amusing journey no doubt. But meanwhile business is business and I must start very early for the north to-morrow morning to look after some purchases I have made in grains; and I must not waste any more of your time.’

“The learned are slow to take a hint, so I locked my arm in his after a friendly fashion and led him genially to the door, where he tried (unsuccessfully) to detain me for further remarks on yet another country famous for its enormous bats.

“When I had got well rid of him—it was already dark—I beat up my quarters without delay, aligned my caravan, added to the inscription on my iron treasure chests the words ‘of Dirak’ (so that the labels now ran ‘Sand for the Sultan of Dirak’), marshalled my armed troop and set out in the night by the northern road. But, long before daybreak, I ordered a deflection to the right, struck the great road along the river and so proceeded eastward into the hills.

“It was as the Learned Man had said: a week's marching to the sources of the stream led to a[Pg 298] pass, and we saw below us at evening a splendid spectacle: that small oval plain of Skandir all girded with enormous precipices, a garden of fruit trees and grain with great prosperous villages in its midst, and the road picking its way by cuttings in the living rock down to the valley floor, and thence making straight for the main town.

“We reached it under a new moon in the second hour of darkness. Its hospitality had not been exaggerated. The good peasants received us with every kindness and I was lodged in a most comfortable house, my chests and grain in the courtyard and my numerous retinue under lesser roofs around.

“Next day—as luck would have it—a wretched accident befell me! I was taking the air at the door of my house, preparatory to ordering the start of my caravan, when I heard the ring of metal on the flat stones of the street. A child running past had dropped a small silver coin. I marked the gleaming spot as the child ran on unheeding, and naturally rushed to put my foot on it before it should be noticed by any other, intending to stoop gracefully at my leisure and pick it up when the coast was clear. But the Evil One, who is ever on the watch to undo the servants of the Most High caused me, in my eagerness, to slip upon a greasy piece of mud and I fell heavily upon the stones with a crash. My leg was broken!

“In the agony I suffered I quite forgot the silver coin (the void still aches); I know not who acquired it. I cannot bear to think that it was trampled in and lost to the world.

“At any rate, I was carried to my couch half[Pg 299] fainting, the bone was set with excruciating pain, and I lay for many days unable to rise and eating my heart out at the added expense of my large company which was dipping deeply into my store of loose coin.

“My main treasure, stored in the hundred iron boxes, I dared not touch; for the Chief of Skandir (who daily visited my sick-room) told me that he had affixed seals to the sand consigned to the Sultan of Dirak, his powerful neighbour, and taken it for safe keeping into his castle.

“The physician assured me that even when I might venture out on crutches it would be fatal, in view of certain complications which had arisen, if I were to think of travel.

“So there I was, imprisoned in this charming valley, with no chance of commerce, my spare cash dangerously dwindling, and a most expensive three weeks’ journey ahead of me before I could reach my beloved Dirak!

“What was I to do!

“My dear nephews, you will hear many harsh things said of those who prosper as I have done. They are vilified through a base envy and the most monstrous tales are told of them. But they are under the protection of Heaven, and that Guiding Power supplements their humble vows. None can deny their ready response to Inspiration. Hear what I did.

“First I purchased out of my remaining free gold a fine house that happened to be empty. Next I had painted on its front in beautiful and varied colours ‘Mahmoud’s Bank.’ Next I told the Chief what advantage I designed for him and his during[Pg 300] my enforced stay, by way of repaying him for their exceptional kindness. Next I sent out written letters to all the wealthier men (and women, my dear nephews, *and women*), saying that I had begun operations in the buying and selling of market produce and that any capital entrusted to me would earn, for every hundred pieces, one piece a week, paid punctually at a certain hour. To give colour to my scheme I sent my quickest-witted servant (amply rewarded) to watch the markets in the valley, to buy up fruit and grain at magnificent prices and to sell elsewhere as best he could.

“‘Never mind,’ said I to him, benevolently, ‘at what loss you sell. I desire to do these honest people a service.’

“The volume of my commerce grew (at a heavy charge!) and even the timid thought there might be something in it. I started the ball rolling by getting my confidant to deposit a hundred pieces of gold, which I had privily furnished. At the end of the week I duly gave him back one hundred and one in the presence of many; and the story went abroad.

“Soon the Chief, his uncle and his mother-in-law deposited and were as regularly paid one per cent a week. The thing began to buzz—but I watched narrowly my dwindling hoard: it was a close thing!... When I had progressed in this fashion for what I considered a sufficient time, I judged it opportune to initiate my new Policy of An Expansion of Exchange through Instruments of Credit.”

“Dear uncle——” interrupted the eldest nephew.

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“Yes, yes,” said the merchant, impatiently, “I know that the term is new to you, but you will shortly learn its meaning. When I had occasion to buy articles for my private consumption or to make an exceptionally heavy purchase of my wholesale wares, I would frequently affect embarrassment, and approaching the vendor I would beg him to accept, in lieu of immediate payment in cash, a note which I had signed promising payment in gold at sight. ‘For,’ said I to him, ‘in the rapid turnover of my business it is but a matter of a few hours for me to be again in possession of a considerable sum of ready money.’”

“I went to work at first with caution. I never by any chance issued a single note for more than ten pieces, and when ever any one of these notes was presented for payment, even though that event should take place within an hour of my issuing it, I promptly honoured it from the reserve of metal which I had kept back for the furtherance of my plan. I was careful to make these notes identical, to stamp them all in the same place with my metal seal, and in every way to make them, so far as I could, a sort of currency, which, as you may imagine, they promptly became. When a man carrying one of these instruments might find himself called upon to pay, at some distance from my place of business, he would at first tentatively offer my note (perhaps at a small discount) to his creditor. But as my integrity was by this time a proverb (and never forget, dear boys, that integrity is the soul of business) the Notes were more and more readily accepted as time proceeded.

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“The convenience of carrying such paper compared with the heavy weight of metal they might represent, the ease of negotiation, and so forth, rapidly increased their circulation; and in a short time I was able to calculate with assurance what the experts in this amiable science term ‘the Rate of Circulation’ which my notes had attained. I found that, roughly speaking, for every five pieces to which I had thus pledged myself upon paper two were sufficient to meet the claims of those who presented them at any one moment. And this proportion is known to this day in that happy valley as ‘the Proportion of Metallic Reserve’ which must lie behind any Issue of Notes—but I hear that since my departure they have got badly muddled.

“Oh! dear, dear!” said the eldest nephew. “I am getting muddled myself, Uncle.”

“Don’t listen to him!” said his brothers in chorus.

“Yes! my children,” answered the old man vividly, “it is indeed a difficult subject. Only a few experts really understand it ... and I am one ... anyhow, you all see that I could now make new money as I chose out of nothing?”

“Oh! yes, uncle!” they all agreed, including the eldest. “We quite see that!”

“Well,” said their revered relative in a subdued tone, “that is a great advantage. But to proceed.

“After some weeks of these practices I found myself the master of the fruit and grain markets, to which I added certain adjuncts naturally suggested by it, such as catering for public meals, the[Pg 303] erection of mosques, the undertaking of marriages, funerals, and divorces, the

display of fireworks, and the charging of fixed fees for the telling of fortunes. This last soon became a very flourishing branch of my business. I employed in it at the customary wage a number of expert soothsayers, and these, with the rest of my staff, amounted to perhaps a quarter of the inhabitants; nor were they the least contented or the least prosperous of the population.

“In a word, my dear nephews, when my operations were concluded I found myself in possession of 200,000 pieces of gold, while my notes, which were everywhere received throughout the State, stood for 300,000 more. A simple calculation,” said the worthy old man, smiling, “will show you that my total new fortune was now no less than half a million pieces, when signs of economic exhaustion in the public and the complete healing of my leg reluctantly decided me that the time had come to seek fresh fields of effort and other undeveloped lands.”

As the merchant now puffed at his pipe in silence the fifth nephew begged leave to ask him two questions which had perplexed his youthful mind.

“Ask away, my little fellow,” said his uncle, kindly, “and I will attempt to explain any difficulty you have in simple terms suited to your age.”

“Well, uncle,” said the fifth nephew, humbly, “I cannot in the first place see how the 300,000 pieces of which you speak, and which as you say[Pg 304] were represented by notes alone, constituted any real wealth.”

“My dear little chap,” answered his uncle, leaning forward to pat him upon the head, “you will have the intelligence to perceive that wherever such a note existed people thought of it as ten golden pieces, did they not?”

“Ye-s-s,” answered his nephew, feeling that he was getting cornered.

“Very well,” continued the old man, merrily, “this attitude of mind being common to the whole community, and all having come to regard these pieces of paper as so much money, I had but to receive them in payment of my debts and then to buy with them into the gold of others. Thus all the gold entered my possession. Eh? On my departure the outstanding notes were presented to the firm, I hear, and there was then no gold to meet them with. A sad state of affairs! Many clamoured and all sorts of trouble arose. But by that time I was far away.”

The little chap still looked puzzled. “But, uncle” he said, “when the people presented the notes after you had gone, they may have thought they had wealth, but they hadn’t any, had they?”

“I don’t know,” said the old man, after a pause. “It is a most difficult point in the discussion of currency.... I, at any rate, had been bold in the story I told, and got hold of their gold.”

“But the wealth wasn’t *there*, uncle,” persisted the little boy. “It wasn’t there at all!”

The merchant with a benign air replied: “The science of political economy is abstruse enough for the most aged and experienced, and it will be[Pg 305] impossible for me to explain to you at length so intricate a point. Let it suffice for you that so far as *I* was concerned the wealth *was*

there, it was there in fifty large leather bags.... You had, I think,” he added in a severer tone, “a second question to propound?”

“Yes,” said his nephew with a slight sigh, “dear uncle, it was this: Why under such favorable circumstances did you think it necessary to leave so early, seeing that your new trade was going so well?”

“That,” said old Mahmoud in a tone of relief, “is much more easy to answer. My leg was healed. The resources of Skandir were limited. Signs were apparent that the worthy populace, though unable to unravel the precise nature of their entanglement, were already very seriously hampered by my operations. Though I was able to prove by statistics that prosperity had increased by leaps and bounds, and though the Chief, who was now my partner, kindly printed pamphlets at the public expense to prove the same, numbers who had formerly been well fed were now reduced to a few handfuls of raw grain, the jails were crammed, much of the land was going out of cultivation, and what between the ignorant passions which such periods of transition arouse in the vulgar, and the inability to get more water out of a sponge when you have already squeezed it thoroughly dry, I am sure that I was right in the determination I then took to retire from this field of operations.

“Before leaving I offered my business for sale to the public in general. The shares, I am glad to[Pg 306] say, were eagerly taken up. And as I gave a preference in allotment (another technical term) to those who paid in my own notes, I recovered all of these save an insignificant fraction, and was able to negotiate them again for gold in public exchange before my departure.

“Meanwhile the unscrupulous anxiety of the chaotic multitude to share in so prosperous a commercial undertaking as mine had been, permitted me to ask for my business more than four (but less than five) times the sum which I would myself have been content to pay for it.

“I loaded 300 more camels with valuables of various sorts, including nearly all the precious metals discoverable in the State; I purchased a whole army of new slaves for the conduct of the caravan (paying for them in new notes issued upon the new company), and amid the plaudits and benedictions of a vast multitude, many of whom (I regret to say) were now in the last stages of destitution, I regretfully took my way through the gorge and bade farewell to the simple people of lovely and lonely Skandir to whom I owed so much.”

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“I proceeded from the people of the valley whom I had introduced to banking, and went out through the gorge into the rising prairies beyond the mountains. For at least four days’ march beyond the valley my name was a household word to the villages through which I passed; not only was I able to pay for all goods by a further Issue of Notes, but I would even reward any special considerations shown me by selling to the grateful[Pg 307] inhabitants for cash such shares in my old Firm remaining at Skandir as I had retained to amuse me in my travel; and these, I am happy to say, went rapidly to a premium. These shares passed at gradually lessening prices from hand to hand, and I subsequently learnt that in a few months they had become unsaleable. Those who suffered in the last purchases had only themselves to blame, and indeed

did not think of blaming any other, while the first to sell at a high price still hold my name in reverent remembrance.

“When I had proceeded a few days further upon my travels I found that the enlightenment and civilization to which I had led the people of the valley was gradually dissipated, and within a fortnight I discovered myself amid the very brutish nomad population who absolutely refused to take paper in the place of cash, even when this form of payment was offered by my own body servants. On the other hand, the precious metals were so scarce amid that population that prices were extremely low, and I was able at a very small outlay in gold to feed the whole of my considerable concourse.

“Three weeks so passed in these monotonous grass lands among the nomad tribes, the road went forward to the east rising all the way, and the soil grew drier and drier. We reached the wells of Ayn-Ayoub and filled our skins with water, we traversed the desert belt and camped near the summit: at daybreak we came to the escarpment and saw the wooded slopes falling away in cascading forests at our feet to where, far below, lay the splendid plain of Dirak and in its midst, far[Pg 308] off and dark in outline against the burning dawn, the battlements and mosques, the minarets and tapering cypress points of its capital Misawan.

“What joy was mine to fall by gentle gradations down the declivities of those noble woods into the warm fields of the Fortunate State! At every hour of my advance new delights met my eye! Great Country Houses standing in magnificent parks with carefully tended lawns all about, poor men who saluted low as I passed and rich men here and there who glanced a moment in haughty ease, fine horses passing at the trot mounted by subservient grooms, and, continually, posts bearing such notices as ‘Any one treading on this Lord’s ground will be bowstrung.’ ‘No spitting.’ ‘One insolent word and to jail with you!’: While at every few hundred yards an armed man, before whom the poorer people cowered, would frown at the slaves at the head of my column, and then, seeing my finely mounted guard and my own immutable face and shining garments coming up behind them, would smile and bow and hint at a few small coins—which I gave.

“In truth the Learned Man had not deceived me! This land of Dirak was a Paradise!

“I rode into the city like a king (as I was—for my wealth made me one in such a State) and took for the night a lodging in an Immense Building, which called itself a Caravanserai, but was, to the Caravanserais of my experience, as the Sultan’s Palace to a horse.

“There, in an apartment of alabaster and beaten silver, I eat such viands as I had not thought to be on this earth, while well-drilled[Pg 309] slaves, trained by long starvation to obedience, moved noiselessly in and out or played soft music hidden behind a carven screen.

“Oh! Dirak! Dirak!... but I must conclude.... The matter was not long. With my gold I purchased my palace in the midst of this city of Misawan, entertained guests who asked nothing of my origin, bought (after a careful survey of prices) the excellent post of Chief Sweeper to his Majesty (which carried with it the conduct of The Treasury) and paid for a few laws which

happened to suit my convenience, such as one to prevent street cries and another for the strangling of the red-headed poor: it is a colour of hair I cannot abide.

“From time to time I paid my respects to that puppet called the Sultan and bowed low in the Ceremonies of the Court.

“I had no occasion to hide my wealth since wealth was here immune and the criterion of honour. I displayed it openly. I boasted of its amount. I even exaggerated its total. I was, within two years, the Chief Man in the State.

“Yet (such is the heart of man!) I was not wholly satisfied. Of my vast fortune not a hundredth had been consumed. None the less I could not bear to let it lie idle. I was determined to do business once again!—By the Infinite Mercy of Allah the opportunity was vouchsafed.

“There lay on the confines of Dirak another State, called Har, very different. In this the Sultan was the wealthiest man in the community and a tyrant. Moreover it differed from Dirak in this important particular, that whereas in Dirak[Pg 310] all office was obtained by purchase, in Har all office was obtained by inheritance, so that between the two lay the unending and violent quarrel between trickery and pride.

“One day—I had been the greatest man in Dirak for already two years more—the Sultan of Har, wickedly, insolently, and not having the fear of God before his eyes, demanded satisfaction of the Sultan of Dirak for a loss sustained at dice by his Grand Almoner’s nephew at the hands of that Noble in Dirak called the Lord Persecutor of Games of Chance—which are, in Dirak, strictly forbidden by law.

“In vain did the Sultan of Dirak implore the aid of his Nobles: they assured him that none would dare attack his (and their) Omnipotent State.

“On the third day the Sultan of Har crossed the frontier with one million, two hundred thousand and fifty-seven men, ninety-seven elephants, and two catapults. On the tenth he was but three days’ march from Misawan.

“The unfortunate Sultan of Dirak, pressed by his enemy, was at his wits’ end for the ready money wherewith to conduct the war. He had already so severely taxed his poor that they were upon the point of rebellion, while the rich were much rather prepared to make terms with the enemy or to fly than to support his whim of honour, patriotism and the rest.

“Musing upon the opportunity thus afforded, and recognizing in it once more that overshadowing Mercy which had so marvellously aided my every step in life, I came into the street upon a[Pg 311] horse and in my noblest garments. I was careful to throw largesse to the crowd, at an expense which I had previously noted in a little book (your father has, my dear nephews, trained you, I hope, to keep accounts?), and riding up to the Palace I announced to the guard that I had come with important news for the Sultan and his Council. After certain formalities (which cost me, I regret to say, no less than fifteen dinars more than I had allowed for) I was shown into the presence of the Vizier, who begged me to despatch my business hurriedly as the Sultan was

expecting at any moment news of an important action. I said with courtesy and firmness that my time was my own, that perhaps I had been mistaken in the news conveyed to me, but that the financial operations I was prepared to undertake would demand a certain leisure before they could be completed.

“At the words ‘financial operations’ the Vizier’s manner wholly changed; he was profuse in apologies, admitting a little shamefacedly that he had taken me for a soldier, a priest, a poet, or something of that sort, and that if he had had the least idea of my intent he would never have kept me waiting as he had unfortunately done. He proceeded in a hurried and conventional tone to discuss the weather, the latest scandal, and other matters of the sort, until at my own time I proposed to introduce the important subject.

“This I did with becoming dignity. I informed him with the utmost reluctance that the enemy had already approached me for financial assistance. I would not be so hypocritical (I said) as to pretend that I had refused them, or indeed that I had [Pg 312] any sentimental preference for one side or the other. As I thus expressed myself the Vizier constantly and gravely nodded, as who should say that he esteemed no man so much as one who showed himself indifference to the feelings of the vulgar. I next asked of what sum the Government was in immediate need, and on hearing that it amounted to about a quarter of my total capital I put on a very grave look and said that I feared the immediate provision of so large an amount was hardly possible, in view of the poverty and embarrassment of his unhappy country.

“When I rose as though to leave, the Vizier, in a state of the utmost excitement, implored me to reconsider so sudden a decision. He was prepared (he swore) to take but an instalment of the whole. Ready money was absolutely necessary. And if, with my profound knowledge of finance, I could devise some way of escape for his master, the most substantial proofs of gratitude would be afforded me.

“Upon hearing this I professed to be plunged into profound thought for about a quarter of an hour, and ended by slowly laying before him as an original and masterly plan the following proposal:

“The poor (he had admitted) were taxed beyond the limits of endurance, and were even upon the point of revolt; the rich were hiding their hoards, and many forms of portable wealth were leaving the country. Let him abandon these uncouth and rapacious methods of obtaining revenue, and ask the wealthier of the loving subjects of the Sovereign to *lend* him at interest what they [Pg 313] would certainly refuse to pay him outright. In this way a smaller annual sum by far than was now raised to meet the exigencies of the war would suffice to meet the obligations of the Government. The capital so raised would be spent upon the campaign; the charge imposed upon the people would, it is true, be perpetual; but it would be so much smaller than the existing taxation as to be everywhere welcomed.

“The Vizier sadly responded that though he would be very happy to undertake such a course he feared that the wealthy inhabitants would never lend (knowing, as they did, the embarrassment of the Government) save upon ruinous terms.

“I had been waiting for this confession, and I at once suggested that I could act as go-between. I would, said I, stand guarantor. My great wealth would at once restore opinion, the loan would certainly be taken up, and I should only make the nominal charge of five gold pieces every year for each hundred I had thus guaranteed.

“The Vizier was so astounded at my generosity that he almost fell backward, but recovering himself, he poured forth the most extravagant thanks, which were hardly marred by the look I detected in his eye, a look certainly betraying the belief that such an offer from a commercial man could hardly be made in good faith. To reassure him I adopted what is known in the financial world as the Seventh, or Frankly Simple, tone. I told him without reserve the total of my wealth (which I put at a fifth of its real amount) and promised [Pg 314] to bring it in cash to offices which he should permit me to establish in the city.

“Entering the next day with a million pieces of gold charged upon a train of very heavily laden camels, I set up my bank in the most crowded portion of the Bazaar, published news of my intention to support the Government, inviting the public inspection of the metal so lent, and at the same time proposing that any who desired regular interest of four pieces guaranteed by myself annually upon every hundred should come forward to take the loan off my hands. The hoards of gold still remaining in the country reappeared as though by magic—so much more delightful is it to lend voluntarily at interest than to pay away under torture for ever—and at last there applied at my office for the favour of extending a loan ten times as many citizens as the situation required.

“My terms with the Government were simple, and, I am sure, moderate. All that I asked was that the tax collectors should in future pay their receipts into my chest, from which I pledged myself to hand over to the Government whatever surplus there might be after I had paid to the lenders their annual interest, four pieces, and kept for myself a fifth piece, which formed my tiny and not unearned commission.

“In this way I rapidly repaid myself and also took one piece on every hundred *others* had subscribed. The learned men of the place, who had never before imagined so simple and practical a plan, treated me with almost supernatural reverence. I was consulted upon every operation of war, my guarantee was eagerly sought for in other [Pg 315] financial ventures, and I was able, I am glad to say, to secure other commissions without touching a penny of my treasure—I had but to hold it forth as a proof of good faith.

“The enemy was repelled. But victory was not won. The war dragged on for a year and there was no decision. Gold grew scarce, and again the Government was in despair.

“I easily relieved them. ‘Write,’ I said, ‘promises on paper to be repaid in gold.’ They did as I advised—paying me (at my request) a trifle of half a million for the advice. I handled the affair—on a merely nominal profit. I punctually met for another year every note that was paid in. But too many were presented, for the war seemed unending and entered a third year.

“Then did I conceive yet another stupendous thing. ‘Bid them,’ said I to the Sultan, ‘take the notes as money. Cease to repay. Write, not “I will on delivery of this paper pay a piece of gold,” but, “this *is* a piece of gold.”’

“He did as I told him. The next day the Vizier came to me with the story of an insolent fellow to whom fifty such notes had been offered as payment for a camel for the war and who had sent back, not a camel, but another piece of paper on which was written ‘This *is* a camel.’

“‘Cut off his head!’ said I.

“It was done, and the warning sufficed. The paper was taken and the war proceeded.

“It was I that prepared the notes, and on each batch I exacted my necessary commission, my little commission, my due.

“It was not in my nature, dear nephews, how[Pg 316]ever, in those days of hard and honest work, to lie idle. When I had put the Sultan on his legs it occurred to me that the *enemy’s Government* was also very probably in similar straits. I therefore visited the enemy’s capital by a roundabout route, and concluded with the Vizier of that opulent but agitated State a similar bargain.

“The war thus replenished at its sources raged with redoubled ardour, for ten more years, and....”

“But, uncle,” said the fourth nephew, who was an athlete and somewhat stupid, and who had heard of this double negotiation with round eyes, “surely they must have both been very angry with you!”

The excellent Mahmoud raised his left hand in protest. “Dear lad!” cried he, “how little you know the world! Angry? Why, each regarded me in the first place as a genius whose ways it was impossible to unravel, in the second place as a public necessity, in the third as a benefactor arrived at a miraculous moment; and as for the fact that I was aiding both sides, I have only to tell you that among the people of that region it is thought the proper part of all financiers to act in this fashion. I should have been treated with deserved contempt had I betrayed any scruples upon so simple a matter. Nay, I am sure that either party reposed the greater trust in me from the fact that my operations were thus universal.... But to proceed:

“The Mercy of Allah was never more apparent in my career than in the way these two Sultans and their subjects fought like raging dogs upon the proceeds of those loans which the wealthy citi[Pg 317]zens upon either side had provided, and upon the mountains of paper which I spent half the day in signing.

“These loans increased ten, twenty, thirty-fold. It was always I that guaranteed them; I had not to risk or expend one miserable dinar of my horde, and yet yearly my commission came rolling in, in larger and larger amounts, until at last the arduous but glorious campaigns were terminated in the total exhaustion of one of the two combatants (at this distance of time I forget which), and his territory and capital were laid under an enormous indemnity (which I again financed without the

tedium of myself producing any actual metal of my own). As the beaten State might have repudiated its obligations I was careful to meet the patriotic clamours of the victorious populace, and to see that the territory of the vanquished should be annexed. You appreciate the situation, my dear fellow?" said the aged Mahmoud conversationally to his eldest nephew.

"I think so, uncle," said the lad doubtfully, screwing up his face.

"It is quite simple," said the wealthy old man, clearing his throat. "The peoples of both States (now happily united) were taxed to their utmost capacity; the one strong and united Government guaranteed a regular revenue; a proportion of this revenue was annually distributed as a *fixed* income to the wealthy few who had subscribed my loans; another portion, amounting by this time annually to considerably more than my original capital, was retained in my coffers; and the mechanism of this was the more simple from the fact that all the public revenues passed through[Pg 318] my own hands as State Banker before any surplus was handed over to the Crown."

The old man ceased. His benevolent lips were murmuring a prayer.

At this moment the hideous call for prayer from the minaret would no longer be denied, and the seven boys, plunged in profound thought, retired slowly to the poverty-stricken home of the physician, their father. They found him tired out with having sat up all night at the sick-bed of a howling dervish, who in his last dying whisper (and that a hoarse one), had confessed his total inability to pay the customary fee.