Mutual Life, Limited

Mutual Life, Limited

ISLAMIC BANKING,
ALTERNATIVE CURRENCIES,
LATERAL REASON

Bill Maurer

PRINCETON UNIVERSITY PRESS
PRINCETON AND OXFORD

Copyright © 2005 by Princeton University Press
Published by Princeton University Press,
41 William Street, Princeton, New Jersey, 08540
In the United Kingdom: Princeton University Press,
3 Market Place, Woodstock, Oxfordshire OX20 1SY
All Rights Reserved

Library of Congress Cataloging-in-Publication Data
Maurer, Bill, 1968–
Mutual life, limited : Islamic banking, alternative currencies,
lateral reason / Bill Maurer.

p. cm.

Includes bibliographical references and index.

ISBN 0-691-12196-6 (alk. paper) — ISBN 0-691-12197-4 (alk. paper)
1. Banks and banking—Religious aspects—Islam. 2. Banks and banking—
Islamic countries. 3. Finance—Religious aspects—Islam. 4. Finance—
Islamic countries. 5. Money. 6. Currency question. I. Title.

HG3368.A6M378 2005

332.1'0917'67—dc22 2004019757

British Library Cataloging-in-Publication Data is available

This book has been composed in Janson

Printed on acid-free paper. ∞

pup.princeton.edu

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

For Tom, side by side.

And for S., B., G., and G., in that order.

Fragment of an Ancient Mythologist

“In an island near the Orcades, a child was born whose father was Aeolus, the god of the winds, and his mother a nymph of Caledonia. They tell of him that he learned unaided to count with his fingers; and that from his fourth year he distinguished metals so well, that his mother having given him a ring of tin in exchange for one of gold, he perceived the deceit, and threw it away.

“When he had grown up, his father taught him the secret of enclosing the winds in skins, which he afterwards sold to all the travelers: but as the trade in winds was not very brisk in his country, he left it, and went up and down the world, accompanied by the blind god of chance.

“During his travels he learned that gold glittered in every part of Betica; and he hurried thither at once. He was very badly received by Saturn, who reigned then: but that god having quitted the earth, he judged it wise to go into all the cross-roads and cry continually in a hoarse voice, ‘People of Betica, you think yourselves rich, because you have silver and gold! I pity your error. Be ruled by me: leave the land of the base metals; come into the empire of the imagination, and I promise you riches which astonish even you.’ He immediately opened a great number of the skins which he had brought with him, and dealt out his merchandise to all who wished it.

“Next morning he returned to the same cross-roads, and cried, ‘People of Betica, would you be rich? Imagine that I am very rich, and that you are very rich: get yourselves into the belief every morning that your fortune has been doubled during the night: rise, then, and if you have any creditors, go and pay them with what you have imagined, and tell them to imagine in their turn.’

“A few days after he appeared again, and spoke as follows: ‘People of Betica, I perceive that your imagination is weaker than it was a day or two ago; try to bring it up to the strength of mine: I will place before you every morning a bill, which will be the source of wealth for you: you will see only four words, but they will be of the highest significance, as they will settle the portions of your wives, the fortunes of your children, and the number of your domestics. And, as for you’—addressing those of the crowd who were nearest him—‘as for you, my dear children (I may call you by that name, since you have received from me a second birth), my bill shall decide as to the magnificence of your equipages, the splendour of your feasts, and the number and pensions of your mistresses.’

“Some days later he came into the street, quite out of breath, and cried out in a violent passion, ‘People of Betica, I counseled you to imagine,

but you have not done so: well then, I now command you to imagine.’ With that he left them abruptly; but on second thoughts retraced his steps. ‘I understand that some of you are odious enough to keep your gold and silver. For the silver, let it go: but the gold . . . the gold . . . Ah! That stirs my anger! . . . I swear, by my sacred windbags, that if you do not bring it to me, I will inflict dire punishment upon you.’ Then he added, in the most seductive manner imaginable, ‘Do you think it is to keep these wretched metals that I ask them from you? A proof of my good faith is, that when you brought me them some days ago, I gave you back at once one half.’

“Next day, he kept at some distance, and endeavored with soft and flattering voice to worm himself into their favor. ‘People of Betica, I learn that a portion of your wealth is in foreign countries: I beg you to have it sent to me; it will oblige me very much, and I will never forget your kindness.’

“The son of Aeolus was addressing people who were in no mood to be amused, yet they could not restrain their laughter; which caused him to slink away in a shame-faced manner. But, his courage having returned, he risked another little petition. ‘I know that you have precious stones: in the name of Jupiter, get rid of them; nothing will so impoverish you as things of that kind; get rid of them, I tell you. Should you be unable to do so yourselves, I can provide excellent agents. What wealth will pour in upon you, if you follow my advice! Yes, I promise you the very best my windbags contain.’

“Then he got up on a platform, and, in a more resolute tone, said, ‘People of Betica, I have compared the happy condition in which you now are with that in which I found you when I first came here; I behold you the richest people in the world: but, in order to crown your good fortune, allow me to deprive you of the half of your wealth.’ With these words, the son of Aeolus soared away on rapid wings, and left his audience dumb with amazement, a result which brought him back next day, when he spoke as follows: ‘I perceived yesterday that my speech displeased you very much. Very well! suppose that I have said nothing at all as yet. It is quite true; one half is too much. We must find some other expedient to arrive at the result which I have proposed. Let us gather all our wealth into one place; we can do so easily, because it does not occupy much space.’ Immediately three-quarters of their wealth had disappeared.”

—Montesquieu, 1899. *Persian Letters*. Translated by John Davidson
London: Gibbings and Co. Letter 142.