

Book - The Richest Man in Babylon, by George S. Clason

*“LO, MONEY IS PLENTIFUL
FOR THOSE WHO UNDERSTAND
THE SIMPLE RULES OF ITS ACQUISITION”*

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Foreword

- Success means accomplishments as the result of our own efforts and abilities. Proper preparation is the key to our success. Our acts can be no wiser than our thoughts. Our thinking can be no wiser than our understanding.

A Historical Sketch of Babylon

- Money is the medium by which earthly success is measured.
- Money makes possible the enjoyment of the best the earth affords.
- Money is plentiful for those who understand the simple laws which govern its acquisition.
- Money is governed today by the same laws which controlled it when prosperous men thronged the streets of Babylon, six thousand years ago.

The Man Who Desired Gold

- Thou bringeth to my mind a new understanding. Thou makest me to realize the reason why we have never found any measure of wealth. We never sought it.

The Richest Man in Babylon

- "Being, as you know, the son of a humble merchant, one of a large family with no hope of an inheritance, and not being endowed, as you have so frankly said, with superior powers or wisdom, I decided that if I was to achieve what I desired, time and study would be required.
- Did not our wise teacher teach us that learning was of two kinds: the one kind being the things we learned and knew, and the other being the training that taught us how to find out what we did not know?
- 'The thoughts of youth,' he continued, 'are bright lights that shine forth like the meteors that oft make brilliant the sky, but the wisdom of age is like the fixed stars that shine so unchanged that the sailor may depend upon them to steer his course. 'Every gold piece you save is a slave to work for you. Every copper it earns is its child that also can earn for you. If you would become wealthy, then what you save must earn, and its children must earn, that all may help to give to you the abundance you crave.
- 'A part of all you earn is yours to keep. It should be not less than a tenth no matter how little you earn. It can be as much more as you can afford. Pay yourself first.
- 'Wealth, like a tree, grows from a tiny seed. The first copper you save is the seed from which your tree of wealth shall grow. The sooner you plant that seed the sooner shall the tree grow. And the more faithfully you nourish and water that tree with consistent savings, the sooner may you bask in contentment beneath its shade.' Advice is one

thing that is freely given away, but watch that you take only what is worth having. He who takes advice about his savings from one who is inexperienced in such matters, shall pay with his savings for proving the falsity of their opinions.'

- You first learned to live upon less than you could earn. Next you learned to seek advice from those who were competent through their own experiences to give it. And, lastly, you have learned to make gold work for you. 'You have taught yourself how to acquire money, how to keep it, and how to use it.
- Opportunity is a haughty goddess who wastes no time with those who are unprepared.
- Learn to make your treasure work for you. Make it your slave. Make its children and its children's children work for you.
- Insure an income for thy future. Invest thy treasure with greatest caution that it be not lost. Usurious rates of return are deceitful sirens that sing but to lure the unwary upon the rocks of loss and remorse.
- Counsel with wise men. Seek the advice of men whose daily work is handling money. A small return and a safe one is far more desirable than risk.
- Enjoy life while you are here. Do not overstrain or try to save too much. If one-tenth of all you earn is as much as you can comfortably keep, be content to keep this portion. Live otherwise according to your income and let not yourself get niggardly and afraid to spend. Life is good and life is rich with things worthwhile and things to enjoy.
- Algamish had come back each time to the room of the scribes because he was watching a man work his way out of darkness into light. When that man had found the light, a place awaited him. No one could fill that place until he had for himself worked out his own understanding, until he was ready for opportunity.
- A part of all you earn is yours to keep.

Seven Cures For a Lean Purse

Start thy purse to fattening.

- Each of the ways of earning is a stream of gold from which the worker doth divert by his labors a portion to his own purse. Therefore into the purse of each of you flows a stream of coins large or small according to his ability.
- For every ten coins thou placest within thy purse take out for use but nine. Thy purse will start to fatten at once and its increasing weight will feel good in thy hand and bring satisfaction to thy soul.
- "Which desirest thou the most? Is it the gratification of thy desires of each day, a jewel, a bit of finery, better raiment, more food; things quickly gone and forgotten? Or is it substantial belongings, gold, lands, herds, merchandise, income-bringing investments? The coins thou takest from thy purse bring the first. The coins thou leavest within it will bring the latter.

Control thy expenditures

- That what each of us calls our 'necessary expenses' will always grow to equal our incomes unless we protest to the contrary.
- All men are burdened with more desires than they can gratify.
- Just as weeds grow in a field wherever the farmer leaves space for their roots, even so freely do desires grow in men whenever there is a possibility of their being gratified. Thy desires are a multitude and those that thou mayest gratify are but few. "Study thoughtfully thy accustomed habits of living.
- Budget then thy necessary expenses. Touch not the one-tenth that is fattening thy purse. Let this be thy great desire that is being fulfilled. Keep working with thy budget, keep adjusting it to help thee. Make it thy first assistant in defending thy fattening purse.
- The purpose of a budget is to help thy purse to fatten. It is to assist thee to have thy necessities and, insofar as attainable, thy other desires. It is to enable thee to realize thy most cherished desires by defending them from thy casual wishes. Like a bright light in a dark cave thy budget shows up the leaks from thy purse and enables thee to stop them and control thy expenditures for definite and gratifying purposes.
- Budget thy expenses that thou mayest have coins to pay for thy necessities, to pay for thy enjoyments and to gratify thy worthwhile desires without spending more than nine-tenths of thy earnings.

Make thy gold multiply

- Behold thy lean purse is fattening. Thou hast disciplined thyself to leave therein one-tenth of all thou earneth. Thou hast controlled thy expenditures to protect thy growing treasure. Next, we will consider means to put thy treasure to labor and to increase. Gold in a purse is gratifying to own and satisfieth a miserly soul but earns nothing. The gold we may retain from our earnings is but the start. The earnings it will make shall build our fortunes.
- "I tell you, my students, a man's wealth is not in the coins he carries in his purse; it is the income he buildeth, the golden stream that continually floweth into his purse and keepeth it always bulging. That is what every man desireth. That is what thou, each one of thee desireth; an income that continueth to come whether thou work or travel."
- "This, then, is the third cure for a lean purse: to put each coin to laboring that it may reproduce its kind even as the flocks of the field and help bring to thee income, a stream of wealth that shall flow constantly into thy purse."

Guard thy treasures from loss

- Misfortune loves a shining mark. Gold in a man's purse must be guarded with firmness, else it be lost. Thus it is wise that we must first secure small amounts and learn to protect them before the Gods entrust us with larger.

- "The first sound principle of investment is security for thy principal. Is it wise to be intrigued by larger earnings when thy principal may be lost? I say not. The penalty of risk is probable loss. Study carefully, before parting with thy treasure, each assurance that it may be safely reclaimed. Be not misled by thine own romantic desires to make wealth rapidly. "Before thou loan it to any man assure thyself of his ability to repay and his reputation for doing so, that thou mayest not unwittingly be making him a present of thy hard-earned treasure. "Before thou entrust it as an investment in any field acquaint thyself with the dangers which may beset it.
- "Therefore, do I advise thee from the wisdom of my experiences: be not too confident of thine own wisdom in entrusting thy treasures to the possible pitfalls of investments. Better by far to consult the wisdom of those experienced in handling money for profit. Such advice is freely given for the asking and may readily possess a value equal in gold to the sum thou considerest investing. In truth, such is its actual value if it save thee from loss.
- "This, then, is the fourth cure for a lean purse, and of great importance if it prevent thy purse from being emptied once it has become well filled. Guard thy treasure from loss by investing only where thy principal is safe, where it may be reclaimed if desirable, and where thou will not fail to collect a fair rental. Consult with wise men. Secure the advice of those experienced in the profitable handling of gold. Let their wisdom protect thy treasure from unsafe investments."

Make of thy dwelling a profitable investment

- "No man's family can fully enjoy life unless they do have a plot of ground wherein children can play in the clean earth and where the wife may raise not only blossoms but good rich herbs to feed her family.
- "To a man's heart it brings gladness to eat the figs from his own trees and the grapes of his own vines. To own his own domicile and to have it a place he is proud to care for, putteth confidence in his heart and greater effort behind all his endeavors. Therefore, do I recommend that every man own the roof that sheltereth him and his.
- "Thus come many blessings to the man who owneth his own house. And greatly will it reduce his cost of living, making available more of his earnings for pleasures and the gratification of his desires. This, then, is the fifth cure for a lean purse: Own thy own home"

Insure a future income

- There are diverse ways by which a man may provide with safety for his future. He may provide a hiding place and there bury a secret treasure.
- A man may buy houses or lands for this purpose.
- A man may loan a small sum to the money lender and increase it at regular periods.

- But because we live in our own day and not in the days which are to come, must we take advantage of those means and ways of accomplishing our purposes. Therefore do I recommend to all men, that they, by wise and well thought out methods, do provide against a lean purse in their mature years. For a lean purse to a man no longer able to earn or to a family without its head is a sore tragedy. "This, then, is the sixth cure for a lean purse. Provide in advance for the needs of thy growing age and the protection of thy family.

Increase thy ability to earn

- "Preceding accomplishment must be desire. Thy desires must be strong and definite.
- In learning to secure his one definite small desire, he hath trained himself to secure a larger one. This is the process by which wealth is accumulated: first in small sums, then in larger ones as a man learns and becomes more capable.
- Desires must be simple and definite. They defeat their own purpose should they be too many, too confusing, or beyond a man's training to accomplish.
- "The more of wisdom we know, the more we may earn. That man who seeks to learn more of his craft shall be richly rewarded. If he is an artisan, he may seek to learn the methods and the tools of those most skillful in the same line. If he laboreth at the law or at healing, he may consult and exchange knowledge with others of his calling. If he be a merchant, he may continually seek better goods that can be purchased at lower prices.
- "Always do the affairs of man change and improve because keen-minded men seek greater skill that they may better serve those upon whose patronage they depend. Therefore, I urge all men to be in the front rank of progress and not to stand still, lest they be left behind.
- Such things as the following, a man must do if he respect himself:
 - "He must pay his debts with all the promptness within his power, not purchasing that for which he is unable to pay.
 - "He must take care of his family that they may think and speak well of him.
 - "He must make a will of record that, in case the Gods call him, proper and honorable division of his property be accomplished.
 - "He must have compassion upon those who are injured and smitten by misfortune and aid them within reasonable limits. He must do deeds of thoughtfulness to those dear to him.
- "Thus the seventh and last remedy for a lean purse is to cultivate thy own powers, to study and become wiser, to become more skillful, to so act as to respect thyself. Thereby shalt thou acquire confidence in thy self to achieve thy carefully considered desires.

Meet the Goddess of Good Luck

- "If a man be lucky, there is no foretelling the possible extent of his good fortune. Pitch him into the Euphrates and like as not he will swim out with a pearl in his hand."
—Babylonian Proverb.
- "We meet here to consider all sides of each question. To ignore the gaming table would be to overlook an instinct common to most men, the love of taking a chance with a small amount of silver in the hope of winning much gold."
- "In tilling the soil, in honest trading, in all of man's occupations, there is opportunity to make a profit upon his efforts and his transactions. Perhaps not all the time will he be rewarded because sometimes his judgment may be faulty and other times the winds and the weather may defeat his efforts. Yet, if he persists, he may usually expect to realize his profit. This is so because the chances of profit are always in his favor.
- "But, when a man playeth the games, the situation is reversed for the chances of profit are always against him and always in favor of the game keeper. The game is so arranged that it will always favor the keeper. It is his business at which he plans to make a liberal profit for himself from the coins bet by the players. Few players realize how certain are the gamekeeper's profits and how uncertain are their own chances to win.
- "With thy permission, most honorable Arkad and my friends, I offer a suggestion. If, as you have said, we take credit to our own industry and ability for our business success, why not consider the successes we almost enjoyed but which escaped us, happenings which would have been most profitable. They would have been rare examples of good luck if they had actually happened. Because they were not brought to fulfillment we cannot consider them as our just rewards. Surely many men here have such experiences to relate."
- "In this tale we see how good luck waits to come to that man who accepts opportunity," commented a swarthy man of the desert. "To the building of an estate there must always be the beginning. That start may be a few pieces of gold or silver which a man diverts from his earnings to his first investment.
- "To take his first start to building an estate is as good luck as can come to any man. With all men, that first step, which changes them from men who earn from their own labor to men who draw dividends from the earnings of their gold, is important.
- "The wisdom of making a payment immediately when we are convinced our bargain is wise," suggested a venerable saddle maker. "If the bargain be good, then dost thou need protection against thy own weaknesses as much as against any other man. We mortals are changeable. Alas, I must say more apt to change our minds when right than wrong. Wrong, we are stubborn indeed. Right, we are prone to vacillate and let opportunity escape. My first judgment is my best. Yet always have I found it difficult to compel myself to proceed with a good bargain when made. Therefore, as a protection against my own weaknesses, I do make a prompt deposit thereon. This doth save me from later regrets for the good luck that should have been mine."

- "I do see good luck in a different light. I had thought of it as something most desirable that might happen to a man without effort upon his part. Now, I do realize such happenings are not the sort of thing one may attract to himself. From our discussion have I learned that to attract good luck to oneself, it is necessary to take advantage of opportunities. Therefore, in the future, I shall endeavor to make the best of such opportunities as do come to me."
- The truth is this: Good luck can be enticed by accepting opportunity.
- "Those eager to grasp opportunities for their betterment, do attract the interest of the good goddess. She is ever anxious to aid those who please her. Men of action please her best.
- "Action will lead thee forward to the successes thou dost desire."
- MEN OF ACTION ARE FAVORED BY THE GODDESS OF GOOD LUCK

THE FIVE LAWS OF GOLD (Laws)

1. I. Gold cometh gladly and in increasing quantity to any man who will put by not less than one-tenth of his earnings to create an estate for his future and that of his family.
2. II. Gold laboreth diligently and contentedly for the wise owner who finds for it profitable employment, multiplying even as the flocks of the field.
3. III. Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling.
4. IV. Gold slippeth away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.
5. V. Gold flees the man who would force it to impossible earnings or who followeth the alluring advice of tricksters and schemers or who trusts it to his own inexperience and romantic desires in investment.

THE FIVE LAWS OF GOLD (Lessons)

- 'In due time, I was accepted as a member of this same group in other ventures. They were men wise in the profitable handling of gold. They talked over each plan presented with great care, before entering upon it. They would take no chance on losing their principal or tying it up in unprofitable investments from which their gold could not be recovered. Such foolish things as the horse race and the partnership into which I had entered with my inexperience would have had scant consideration with them. They would have immediately pointed out their weaknesses.

- Without wisdom, gold is quickly lost by those who have it, but with wisdom, gold can be secured by those who have it not.
- "Our wise acts accompany us through life to please us and to help us. Just as surely, our unwise acts follow us to plague and torment us. Alas, they cannot be forgotten. In the front rank of the torments that do follow us are the memories of the things we should have done, of the opportunities which came to us and we took not.

The Gold Lender of Babylon

- Gold bringeth unto its possessor responsibility and a changed position with his fellow men. It bringeth fear lest he lose it or it be tricked away from him. It bringeth a feeling of power and ability to do good. Likewise, it bringeth opportunities whereby his very good intentions may bring him into difficulties.
- If you desire to help thy friend, do so in a way that will not bring thy friend's burdens upon thyself."
- "The safest loans, my token box tells me, are to those whose possessions are of more value than the one they desire. They own lands, or jewels, or camels, or other things which could be sold to repay the loan. Some of the tokens given to me are jewels of more value than the loan. Others are promises that if the loan be not repaid as agreed they will deliver to me certain property settlement. On loans like those I am assured that my gold will be returned with the rental thereon, for the loan is based on property.
- "In another class are those who have the capacity to earn. They are such as you, who labor or serve and are paid. They have income and if they are honest and suffer no misfortune, I know that they also can repay the gold I loan them and the rental to which I am entitled. Such loans are based on human effort.
- "Others are those who have neither property nor assured earning capacity. Life is hard and there will always be some who cannot adjust themselves to it. Alas for the loans I make them, even though they be no larger than a pence, my token box may censure me in the years to come unless they be guaranteed by good friends of the borrower who know him honorable.
- Humans in the throes of great emotions are not safe risks for the gold lender.
- "If they borrow for purposes that bring money back to them, I find it so. But if they borrow because of their indiscretions, I warn thee to be cautious if thou wouldst ever have thy gold back in hand again."
- Good merchants are an asset to our city and it profits me to aid them to keep trade moving that Babylon be prosperous."
- "Youth is ambitious. Youth would take shortcuts to wealth and the desirable things for which it stands. To secure wealth quickly youth often borrows unwisely.
- "Gold, you see, Rodan, is the merchandise of the lender of money. It is easy to lend. If it is lent unwisely then it is difficult to get back. The wise lender wishes not the risk of the undertaking but the guarantee of safe repayment.

- 'Tis well," he continued, "to assist those that are in trouble, 'tis well to help those upon whom fate has laid a heavy hand. 'Tis well to help those who are starting that they may progress and become valuable citizens. But help must be given wisely, lest, like the farmer's ass, in our desire to help we but take upon ourselves the burden that belongs to another.
- "I am a gold lender because I own more gold than I can use in my own trade. I desire my surplus gold to labor for others and thereby earn more gold. I do not wish to take risk of losing my gold for I have labored much and denied myself much to secure it. Therefore, I will no longer lend any of it where I am not confident that it is safe and will be returned to me. Neither will I lend it where I am not convinced that its earnings will be promptly paid to me.
- Be not swayed by foolish sentiments of obligation to trust thy treasure to any person. If thou wouldst help thy family or thy friends, find other ways than risking the loss of thy treasure. Forget not that gold slippeth away in unexpected ways from those unskilled in guarding it. As well waste thy treasure in extravagance as let others lose it for thee.
- Be not swayed by the fantastic plans of impractical men who think they see ways to force thy gold to make earnings unusually large. Such plans are the creations of dreamers unskilled in the safe and dependable laws of trade. Be conservative in what thou expect it to earn that thou mayest keep and enjoy thy treasure. To hire it out with a promise of usurious returns is to invite loss.
- Seek to associate thyself with men and enterprises whose success is established that thy treasure may earn liberally under their skillful use and be guarded safely by their wisdom and experience.
- BETTER A LITTLE CAUTION THAN A GREAT REGRET

The Walls of Babylon

- The walls of Babylon were an outstanding example of man's need and desire for protection. This desire is inherent in the human race. It is just as strong today as it ever was, but we have developed broader and better plans to accomplish the same purpose.
- In this day, behind the impregnable walls of insurance, savings accounts and dependable investments, we can guard ourselves against the unexpected tragedies that may enter any door and seat themselves before any fireside.
- WE CANNOT AFFORD TO BE WITHOUT ADEQUATE PROTECTION

The Camel Trader of Babylon

- The hungrier one becomes, the clearer one's mind works— also the more sensitive one becomes to the odors of food.

- "Ill fortune! Wouldst blame the gods for thine own weakness. Ill fortune pursues every man who thinks more of borrowing than of repaying.
- He who spends more than he earns is sowing the winds of needless self-indulgence from which he is sure to reap the whirlwinds of trouble and humiliation.
- 'If thou contentedly let the years slip by and make no effort to repay, then thou hast but the contemptible soul of a slave. No man is otherwise who cannot respect himself and no man can respect himself who does not repay honest debts.'
- The soul of a free man looks at life as a series of problems to be solved and solves them, while the soul of a slave whines, 'What can I do who am but a slave?'
- WHERE THE DETERMINATION IS, THE WAY CAN BE FOUND

The Luckiest Man in Babylon

- He talked to me earnestly to impress upon me how valuable work would be to me in the future: 'Some men hate it. They make it their enemy. Better to treat it like a friend, make thyself like it. Don't mind because it is hard.
- Remember, work, well-done, does good to the man who does it. It makes him a better man.
- 'Cling no longer to thy master. Get once again the feeling of being a free man. Act like a free man and succeed like one! Decide what thou desirest to accomplish and then work will aid thee to achieve it!'
- Work has become my best helper. It has enabled me to recapture my confidence and my skill to sell.
- "Yet I was just as willing to work as Megiddo; he could not have worked harder than I. Why did not my work bring me happiness and success? Was it work that brought Megiddo happiness, or was happiness and success merely in the laps of the Gods? Was I to work the rest of my life without gaining my desires, without happiness and success? All of these questions were jumbled in my mind and I had not an answer. Indeed, I was sorely confused.
- "Tears of gratitude filled my eyes. I knew I was the luckiest man in Babylon. "Work, thou see, by this, in the time of my greatest distress, didst prove to be my best friend. My willingness to work enabled me to escape from being sold to join the slave gangs upon the walls. It also so impressed thy grandfather, he selected me for his partner."
- "Life is rich with many pleasures for men to enjoy," Sharru Nada commented. "Each has its place. I am glad that work is not reserved for slaves. Were that the case I would be deprived of my greatest pleasure. Many things do I enjoy but nothing takes the place of work."