

A review on: The world banking and the Iranian share in its arising

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In the world's economic and political history, the last 3 centuries are highly important. Up to that time, there was some relative balance of great powers in the world's political composition. In Europe all the countries of region were almost homogenous. The Eastern countries which were the founder of civilization and culture in all times are still existed.

The Chinese dynasty was powerful, as well as India which was strong and rich. Iranian dynasty would have been considered as an influential economical and political power through out the region and the world. Even the Ottoman government was ruling on some parts of the modern Europe and also there was a new power, namely America, being created in the new continent.

What happened to this relative



balance of the world's power? This horrible un-equilibrium of power and wealth which we are observing today had been resumed from the end of 17th century.

Because from one side, the East which was proud of its culture and also tired and exhausted from the international conflicts and religious battles, started to come into the state of

abatelment and restitution. On the other side the fresh and freed Europe from tribal and religious fights, awoke from its middle ages sleep.

When the fresh West felt the fatigue and restitution of the eastern states, first implied the traditional exploitation policy to expand its colonial lands, but as the effects of the industrial revolution showed up, the Western strategy gradually started to be changed. Hence the Chinese silk, Indian spices and Iranian gold woven clothes etc., were about to loose their attractions.

Meanwhile the West needed a vast consumption market, in order to supply its industrial mass production, so the new colonization era was resumed.

When the East awoke from

the hundreds of centuries sleep, it had been all over, there was no relative balance of power left, and almost the whole power and wealth was in the hand of a new few western countries, and these parvenu countries started to build these countries at the cost of desolation of the old world.

But there was a delicate point behind all these gaudiness, that was, a weakness and shortage which they would have deeply felt at the time that cultural issues would have been considered. Although these countries had called themselves superpowers but this humble self feeling would have bothered them.

At first, they tried to be partner with fruitful cultural heritage of Greece just only under the pretext of that, the Greece was situated in the land of Europe.

They called Greeks, their cousins, translated their books and carried out the Olympic ceremony in excellent manners. They built their buildings according to the ancient Greece style, but nothing of these rashly measures even, did convince them. Because, it was clear that the effectiveness of the Greece culture was due to the mutual relationship with the prosperous Iranian culture and Asian civilization.

When European countries found out that they could not

take the cultural antecedents away from the eastern nations, they decided to plunder their culture. Hence they dispatched some groups as orient researchers to those countries which had inherited the mankind civilization.

Although the mentioned groups rendered some good services in regard to archaeology digging, but they plundered the valuable cultural and historical assets of those nations and kept them in their newly built museums. These museums not only did solve any problems, but every items of their valuable assets indicated that they belonged to the nations who established the magnificent mankind civilization pillars.

After all, when all these measures did not bring any good result, therefore, another method was implemented which was implicit denial of this dynamic culture and passing by that indifferently. That is why, in recent 2 centuries, we are encountering with the groups who are considered as new approaches and try to present their finding in such a way, that one consider as if the mankind civilization has been resumed in 2 or 3 centuries before the French great revolution and industrial changes occurred. This unfair point of view, not only neglected the share of the true owners of the mankind civilizations, but it misled the young scholars and knowledge

seekers.

For example if, Just today, we ask the new generation of seekers of knowledge or even the economic and banking scholars, when banking started and which nations were the first initiator of the banking? The majority of them will reply that, the banking is a modern phenomena, which has been created by Europeans in the recent 2 centuries. Whereas the fact is something else. Banking is such a long procedure which has showed up after centuries of experiences and ancient civilizations.

Briefly, banking means the transaction of money and credit.¹ So any country which has inverted money naturally is the same country which has put money in circulation. But we all know that the Iranians were the vanguard in this regard, and our ancient thousand years coins have ornamented all the world's museums.

Master Ebrahim poor Davood, has pointed out in his book called Hormoze Nameh (p.233-274) that money was born in the Empire of Iran 6 centuries B.C. Even there are some witnesses in the articles 41-to 43 in the seventh section of Avesta, the holly book of Zoroaster, which refers to some points in regard to paying wages to physicians and veterinarians but the word "shaeta" has been used instead of the word "money" or "coin"

in Avesta.

Medias and Lydians from the era of Hovakhshatara had been familiar with coins, but up to the beginning of lineage of Achaemenian (Hakhamaneshi) reign, coins had been in the shape of "Shahrava"² it means, coins had been circulated only in the cities which had been minted, but in the other regions the great Darius (Darioush), the third king of Achaemenian reign, decided to mint coin for the first time, in order to make them worth and valid through out all dependent countries, and also among all civilized nations at those times, so he ordered to mint coins out of globally worth pure gold, which was valid in the eyes of the whole nations. He named them "Dericus". Because the real name of Darioush had been "Darieh vahi"³ which in Persian language in Achaemenians era meant "the owner of vahi", of course the word "vahi" is the same as word "Behi" in modern language, so he was named "the owner of Behi" but Greeks called him Darius (Dekhoda, volume B, p.545) thus Darius or Darioush coins were the same, and still are most valuable and famous coins, in the eyes of the numismatists in the whole world.

Since Darius wanted Dericus coins (which was afterward called Drik) be always valid and deserve Iranian Imperial, therefore, ordered Satraps and heads

of all dependant countries not to make coins out of pure gold, but allowed them to mint coins out of silver in such a way that the value of 10 pure silver coin be equal to one pure gold made Dericus.

In the ancient Iran since Achaemenian (Hakhamaneshi) era there were some signs indicating that there had been some institutions which are called Banks today.

The Brothers organization "Morashowaznip poor" and "Eje Bi" Banks were the first Banks established in Achaemenian (Hakhamaneshi) Empire⁴.

According to the historical texts, connected to the first Darius era, Eje Bi Bank had been a reliable bank. Some of the bank contracts indicated that there had been connections between the Bank and "Bokhtonasr" Who rebelled against Darius⁵. On the other hand, the documents related to the Juish Captives which belonged to the age of third Bokhtonasr, indicated that the "Morashowaznip poor" Brothers who were the famous Bankers at those times had been under his captivity for a period of time.⁶

The famous Hemorabi Law, which goes back to 1930 B.C, had also foreseen some articles in regard to factorage and its commission. There are also some engraved texts on the dis-

covered sun-dried brick in Babel which one of them indicates transferring of money from Babel to Larsa.

Since Phoenicians who had been doing trade and navigation, had business relationship with the Iranian Empire, therefore they learned the basic principles of banking from them and gradually propagated it in Greece. The "solon" laws which go back to the 7th centuries had allowed adoption of interest rate which was the cause of development of the banking system in Greece⁷.

Romans had learned Banking from Greeks so banking was developed in Rome at the end of Roman Republic era and the outset of the empire period.

There were two groups of bankers, gradually appeared in the Roman Empire. One was called "Numilari" which had been doing only money changing and the other one, which was called "angentani" group almost, had been carrying out all kind of Bank services⁸.

Unfortunately, at the beginning of the middle ages, Roman Empire was annihilated by the attack of the West European savage tribes, who were ancestors of current pretender Europeans. Therefore not only banking and trades went down, but the west civilization principals became shaky and unstable for centuries, whereas banking in

Iran and other civilized eastern countries were expanding.

After 3 or 4 centuries of stagnation, civilization and trades flourished in the west. The occurrence of crusades caused re-establishment of the relationship between the Middle East and the Central Asia with Europe. Hence trades and banking were resumed. The west roman empire which is current Italy, based on its historical precedents, happened to be pioneer of the banking in Europe, once more, the cities Florence, Veins and Lombardi had become the Europe's banking center at those times.

The word bank became customary from then on. Because Lombardians and Venetians bankers used to sit on the small benches at the city public squares and render bank services to the people, and since then the word "bench" meant bank in Italian language. Therefore the people called them benchsitters (banchieri) or banko, which came to practice in other language gradually and finally, became changed into the word "Bank".

At this time, namely near the end of middle ages, Venetians and Florancian bankers, who were vanguard to the other roman banks, expanded their bank networks and for the first time they established branches in the East Europe as like, the current Britain. Hence west European

countries got acquainted with the banking phenomena for the first time whereas, in Iranian Empire, people were familiar to concept of the banking which was the same as moneychanging.

The usage of bank terminology in that time should not be mistaken for the huge international modern banking. These bankos or banchieries were the small moneychanging units, which were not compatible with the Iranian and some of her neighbor countries' network money changing. During that period of time, there was huge networks moneychanging in Iran, which were doing all bank services for the people. Basically (as will be shown later), the word moneychanging had been and still is equivalent to the word Banko or Bank. Currently in modern Europe, the word moneychanger or moneychanging is shown on the top of the large banks signboards. In 5th century the Iranian moneychangers possessed very well ordered bank networks. The Great Iranian poet and tourist, Naserkhosro Ghobadiani, has registered the number of different cities moneychanging in his travel account. Moneyexchangers were even trustworthy to the families besides doing bank services. In any case, the market was as that if somebody had anything (money) would deposit it with the moneychanger against his receipt, which allowed him

to buy anything by drawing drafts or money order payable by the moneychanger⁹.

Footnotes:

1. The word "money" should not be Iranian, although this terminology had been used in middle Farsi language but it meant "Jasar" which later on was changed to pol and pool which is now customary in modern Farsi. There is a huge river which is called "Nahr-e-taleb" which originates from Samirom and passes under the pol (which means Bridge in English) (Farsnameh ebn-e-Balkhi P.148) Ferdousi the great Iranian poet in his book Shahnameh says another bridge (Pol) should be constructed to make a passage for people to come and go. Apparently the term of (pool) money in current implication has come from Greece to Persian language (Christian Seen first Edition p.27) and Ebrahim poordavood, Hormoznameh p.233.
2. The ignorant prince resembles "Shahrava" which is worthless in other cities (Saadi, the famous Iranian poet)
3. Daraya Vahi
4. Bank Sepah Magazine No.1 first year.
5. Iran Bastan History compiled by Hossein Pirnia (Moshir Aldouleh) Tehran press co. , year 1311, 2nd volume,p.950-951.
6. As above p.533-544 and 950-951
7. Bank and Banking compiled by Dr. Abdolhamid Zangeneh, Tehran 1318, p.1-3
8. As above p.6-9
9. Safarnameh Naser Khosro printed by Dabir Siaghi, p.144

To be continued ...