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# ESKENĀS

**ESKENĀS** (bank note, paper currency). The word *eskenās* (bank note) has most probably entered Persian in the early 19th century during the reign of Fatḥ-ʿAlī Shah Qajar (Moṣāhab, I, p. 141) and is derived from the Russian word *assigunos*, which itself comes from the French paper money "*assignat*," issued during the French Revolution, which value was "assigned" to national assets. In the Persian translation of Reuter's Concession (see below) bank note was translated "*belīṭ*" (< Fr. *billet* "ticket, bank note")meaning ticket in Persian. But *eskenās* had already occupied the semantic slot and could not be dislodged by *belīṭ*. On the other hand, in some parts of Persia (e.g., Yazd, Shiraz) the term "*nūt*" (< Eng. note) is also used (Afæār, p. 171).

Some form of paper money existed in Persia well before the 19th century, and its history can be traced to as far back as the Il-khanids' *čāv* (q.v.). In the mid-19th century, however, a kind of I.O.U. called "*bījak*" widely circulated among the merchants (Jahānšāhī, p. 21; see Figure 1) and effectively played the role of bank notes among them. *Bījak* was a money instrument for a given amount payable on demand, duly signed and certified, issued by such reputable dealing houses as Tūmānīān, Jahānīān, Etteḥādīya (q.v.), etc. In fact, *bījak* continued to exist and circulate long after the advent of bank notes.

Meanwhile, merchants had come to know the Russian and Ottoman bank notes in the north and the Indian rupees in the south (Aʿẓamī, p. 259; Jahānšāhī, p. 34). The history of bank notes proper, however, falls into three periods in terms of the agency responsible for issuing it: Bānk-e šāhī, 1889-1930; Bānk-e mellī-e Īrān, 1930-60; and Bānk-e markazī-e Īrān, 1960 to the present day.

*Bānk-e šāhī/The Imperial Bank of Persia.* In 1888 an English-owned bank, called the New Oriental Bank, established branches in Tehran, Tabrīz, Mašhad, Isfahan, Shiraz and Rašt and operated current and saving accounts without any prior authorizations or concessions, and for the first time Persians were acquainted with bank in the modern sense of the word. Although this bank was not authorized to issue notes, it issued and circulated cashier's checks of five *qerān*s, which could really be considered as bank notes in disguise. A year later, in March 1889, Baron Julius de Reuter, a German born naturalized Englishman, obtained from Nāṣer-al-Dīn Shah the concession of establishing the Imperial Bank of Persia and the monopoly of issuing bank notes in Persia for the sum of 40,000 pounds sterling or 13,000 tomans as loan with 6% interest and renouncing all rights of his 1872 concession, and promptly proceeded with buying the assets of the New Oriental Bank for the sum of £20,000 and withdrawing its cashier's checks (Jones, p. 35; (Plate IV and Plate V). He was soon identified and arrested.

In the beginning of World War I many note-holders wanted to convert them to silver *qerān* coins, for which the bank was not prepared. In order to avoid a crisis, the government ordered a mandatory holding of notes for sixty days, thereby introducing an early notion of legal tender.

The second series, issued in 1924, for the first time bore the watermark of Lion and Sun with sword and were denominated in 1, 2, 5, 10, 20, 50, and 100 toman notes. The 1, 5 and 10 toman notes were printed by Waterlow and Son Ltd. (Plate VI and Plate VII) and the rest by Bradbury, Wilkinson Co. (Plate VIII).

*Bānk-e mellī-e Īrān.* The idea of establishing a national bank in Persia goes back to the first Majles in 1907, though it was only realized some twenty years later. In 1930, the recently established Bānk-e mellī-e Īrān took over the monopoly of note issue after some negotiations and a payment of £200,000 to Bānk-e šāhī (Jahānšāhī, p. 94). The first series of Bānk-e mellī notes were issued in April 1932; they bore a portrait of Reżā Shah in his military casket and the signature of Kurt Lindenblatt, the governor (*modīr-e koll*) of the bank, and were denominated in 5, 10, 20, 100, and 500 rials (Plate IX). In accordance with the unitary currency law of 1931 (*qanūn-e eṣlāḥ-e wāḥed pūl-e Īrān*), the rial, equivalent to 100 dinars, thus became the official basic unit of currency in Persia. Older units such as the *qerān* and toman were abolished; however, the term toman has continued to be used in popular speech up to the present day.

Three years later the second series of Bānk-e mellī notes were issued with the signatures of Ḥosayn ʿAlāʾ, Horeshits Horetz, and ʿAbd-al-Ḥosayn Hažīr, members of the bank's board of directors (created after the retirement of Lindenblatt). The portrait of Reżā Shah was slightly enlarged and 1,000 rial notes were introduced. These two series were printed by American Bank Notes Co. and amounted to 895 million rials (American Bank Note Co. archives, no. 1125; see also Āḏīnfar, 1991, pp. 114-15).

In 1315 Š./1936 and 1317 Š./1938 two more series were issued with a hatless portrait of Reżā Shah and signature of the governor (*modīr-e koll*) of the bank, Ḡolām-Reżā Amīr Ḵosravī, and the state inspector (*mofatteš*), ʿAbd-al-Ḥosayn Hažīr. The interesting feature of these series was that for the first (and last) time the gold parity of notes was mentioned on 100, 500, and 1,000 rial notes, 100 rials being equal to one gold Pahlavi coin (Plate X). A 10,000 rial note was also printed but was not put into circulation because of its high amount (Plate XI). By Šahrīvar 1320 Š./September 1941, when Reżā Shah resigned, the volume of notes in circulation amounted to some two billion rials. With the occupation of Persia by the Allied Forces and war-time inflation, this figure reached 2,500 million by mid-1942 and 4,500 million by the end of that year (*Eṭṭelāʿāt*, no. 5489, 22 Ḵordād 1323).

The first series of bank notes bearing the portrait of Moḥammad-Reżā Shah and the signatures of Abu'l-Ḥasan Ebtehāj, the governor, and Moḥammad ʿAlī Bāmdād, the inspector (*bāzras*), were put into circulation in two lots, one in 1323 Š./1944 denominated in 5, 10, 20, and 100 rials and the other, in 1325 Š./1946 denominated in 50, 100, 500 and 1000 rials (Plate XII).

Meanwhile, in 1324 Š./1945 the newly formed and outlawed separationist Republic of Azarbaijan (see Azarbaijan v), set up a bank and hurriedly issued a series of notes, printed on ordinary paper and bearing no watermark. They were denominated in five *qerān*s, one toman, two tomans, five tomans and ten tomans and the writings were in Azeri Turkish (Plate XIII). On the back of the notes it was only mentioned that they were legal tender guaranteed by the government of Azarbaijan and that forgers would be court-martialed. The collapse of the republic in Āḏar 1325 Š./December 1946 put an end to these notes.

During the post-war years Bānk-e mellī grew in importance as a national financial institution and gradually adopted some of the functions of a central bank. Paper money, its cover, and its volume became questions of national interest. The economy became increasingly monetized and bank notes were increasingly integrated into urban, and, more timidly, rural communities. As a medium of exchange, checks played a much less important role.

The sensitivity towards full cover at times led to shortage of bank notes, which Bānk-e mellī tried to resolve by two issues of guaranteed checks (*čak-e tażmīn šoda*) in 1331 Š./1952 and again in 1333 Š./1954. These checks were in large denominations of 1,000, 5,000 and 10,000 rials and bore signatures of ʿAlī-Aṣḡar Nāṣer and Ebrāhīm Kāšānī, the respective governors (Plate XIV). The paper and its watermark were not of inimitable quality and several cases of forgery were found, but as these checks could not legally be considered as notes, regulations governing bank note forgeries could not be applied in these cases (Āḏīnfar, 30, p. 140).

*Bānk-e markazī-e Īrān/The Central Bank of Iran.* The increasing number of private banks in the 1950s made it difficult for Bānk-e mellī to continue to function as a commercial bank as well as a central bank. On 7 Ḵordād 1339/ 28 May 1960, the Central Bank (Bānk-e markazī-e Īrān , q.v.) was established, fully authorized to perform monetary policy making functions. Bānk-e mellī, otherwise continued its commercial banking activities. The first series of Central Bank notes, in denominations of 10 and 20 rials, bearing the signature of the minister of finance (*wazīr-e dārāʾī*), ʿAbd-al-Bāqī Šoʿāʿī and its first governor (*raʾīs-e koll*), Ebrāhīm Kāšānī, was issued in 1340 Š./1961. With the growing sophistication of central banking methods, the importance of bank notes as money was relegated to its secondary position, and note issue became a function of total money supply which was otherwise controlled by monetary policy mechanisms.

Central Bank notes were mostly printed by Thomas de la Rue in England. The watermarks were usually a crown, Lion and Sun, or portrait of the shah. In 1344 Š./1965 a series of 5,000 rial notes, bearing the signatures of Jamšīd Āmūzegār, the minister of finance, and Mahdī Samīʿī, the governor of the bank, was printed in Pakistan, under the Regional Co-operation for Development (Sāzmān-e ʿomrān-e manṭaqaʾī) treaty, but its red color could be washed away with water and was rapidly withdrawn from circulation. The 200 rial notes of 1353 Š./1974, signed by Hūšang Anṣārī and Moḥammad Yagāna, had also to be withdrawn from ciculation because of a six-cornered star in its back (Plate XV), which some denounced as the Star of David; it was replaced by a twelve-cornered star. The last series of notes issued under the previous regime bore the signature of the governor, Yūsof Ḵoškīš, and the minister of finance and economy, Moḥammad Yagāna. The highest volume of bank notes under the previous regime amounted to some 912 billion rials. (Āḏīnfar, *Rahāvard* 42, p. 139).

*Post Revolution period.* In 1358 Š./1979, the Central Bank of the Islamic Republic of Iran issued its first series of bank notes (Plate XVI). They were overprinted with an inscription design to efface the portrait of the shah; the watermark was also covered, at first by Lion and Sun, and later, following its rejection by the revolutionary regime, by a twelve stars as temporary banner of the Islamic Republic (Āḏīnfar, 1992b, pp. 138-39). A subsequent series of Central Bank notes was issued bearing the signatures of ʿAlī Ardalān, the minister of economy and finance *(wazīr-e eqteṣād wa dārāyī)*, and Moḥammad-ʿAlī Mawlawī, the governor of the bank (*ra'īs-e koll*). The design was similar, except that the shah's portrait was replaced by a picture of Imam Reżā's shrine and the watermark was again covered by twelve stars (Plate XVII). By early 1980, the same temporary banner was woven into the design of bank notes (Faraḥbaḵš, p. 120).

In 1981 the first series of notes with the new official banner of the Islamic Republic of Iran as watermark was issued. In 1987 this watermark was replaced by the portrait of Moḥammad-Ḥosayn Fahmīda, a young martyr of the Iran-Iraq war. In 1372/1993 the portrait of Āyatallāh Ḵomeynī first appeared on a 10,000 rial note; his portrait was also used for the watermark, and the notes carried the signature of Moḥammad Ḵān, minister of economy and finance, and Moḥammad-Ḥosayn ʿĀdelī, governor of the Central Bank (Plate XVIII).

See also BANKING IN IRAN; MONEY.

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Figure 1. Example of a bījak dated 2 Rabīʿ II 1297/13 March 1880. After M. Nassiri and A-A. Jahanshahi, The History of the National Bank of Iran, n.p., n.d.

Plate I. Unadopted design for face of 50 pahnabādī note of the Imperial Bank of Persia. Courtesy of A. Shargi.

Plate II. Design for reverse of the 50 pahnabādī note. Courtesy of A. Shargi.

Plate III. Photograph of Imperial Bank of Persia 20 šāhī note. Courtesy of A. Shargi.

Plate IV. Counterfeit two toman note. Courtesy of A. Shargi.

Plate V. Authentic three toman note of the type shown in Plate IV. Courtesy of A. Shargi.

Plate VI. One toman note printed by Waterlow and Son Ltd. Courtesy of A. Shargi.

Plate VII. Ten toman note printed by Waterlow and Son Ltd. Courtesy of A. Shargi.

Plate VIII. Fifty toman note printed by Bradbury, Wilkinson Co. Courtesy of A. Shargi.

Plate IX. Example of first series of Bānk-e mellī one hundred rial notes with portrait of Reżā Shah. Courtesy of A. Shargi.

Plate X. Redesigned Bānk-e mellī one hundred rial note with mention of gold parity. Courtesy of A. Shargi.

Plate XI. Specimen of ten thousand rial note (never circulated). Courtesy of A. Shargi.

Plate XII. Bānk-e mellī one thousand rial note in first series with portrait of Moḥammad-Reżā Shah. Courtesy of A. Shargi.

Plate XIII. One toman note (in Azeri Turkish) issued by Republic of Azerbayjan Courtesy of A. Shargi.

Plate XIV. Guaranteed check in amount of five thousand rials issued by Bānk-e mellī in lieu of bank note. Courtesy of A. Shargi.

Plate XV. Reverse of two hundred rial note with six-pointed star (withdrawn from circulation). Courtesy of A. Shargi.

Plate XVI. Central Bank post-Revolutionary one thousand rial note with portrait of shah and watermark overprinted. Courtesy of H. Azinfar.

Plate XVII. Redesigned Central Bank two hundred rial note showing shrine of Imam Reżā. After F. Faraḥbaḵš, Rahnamā-ye eskenāshā-ye Īrān, 2nd. ed., Tehran, 1363 Š./1984, p. 106.

Plate XVIII. Ten thousand rial note with portrait of Āyatallāh Ḵomeynī. Courtesy of H. Azinfar.