

Khalifa Umar bin al-Khattab - Political and Governmental Actions

Public Treasury and Coins

In the time of the Holy Prophet there was no public treasury. Whatever revenues or other amounts were received were distributed immediately. There were no salaries to be paid, and there was no state expenditure. Hence the need for the treasury at public level was not felt.

In the time of Abu Bakr as well there was not treasury. Abu Bakr earmarked a house where all money was kept on receipt. As all money was distributed immediately the treasury generally remained locked up. At the time of the death of Abu Bakr there was only one dirham in the public treasury.

In the time of Umar things changed. With the extension in conquests money came in larger quantities, Umar also allowed salaries to men fighting in the army. In A.D., Abu Huraira who was the Governor of Bahrain sent a revenue of five lakh dirhams. Umar summoned a meeting of his Consultative Assembly and sought the opinion of the Companions about the disposal of the money. Most of the Companions advised immediate distribution of the money. Usman advised that the amount should be kept for future needs. Walid bin Hisham suggested that like the Byzantines separate departments of Treasury and Accounts should be set up.

After consulting the Companions Umar decided to establish the Central Treasury at Madina. Abdullah bin Arqam was appointed as the Treasury Officer. He was assisted by Abdur Rahman and Muiqib. A separate Accounts Department was also set up and it was required to maintain record of all that was spent.

Later provincial treasuries were set up in the provinces. After meeting the local expenditure the provincial treasuries were required to remit the surplus amount to the central treasury at Madina. According to Yaqubi the salaries and stipends charged to the central treasury amounted to over three crore dirhams.

In most of the histories of the Muslim period it is stated that among the Muslim rulers, the Umayyad Caliph Abdul Malik bin Marwan was the first to strike coins. Further historical research has established that Umar has the distinction of being the first Muslim ruler to strike Islamic coins.

It is stated in Maqrizi's Kitab-ul-Nuqad ul-Islamia and Mawardi's Al-Ahkam us-Sultaniyah that Islamic coins were first struck by Umar. Umar struck the coins of dirhams. The coins of Umar resembled the coins of Anusherwan. These, however, bore the legends "Praise to Allah"; "Muhammad is the Apostle of Allah"; and "There is no god but Allah".

According to Mawardi when Persia was conquered three types of coins were current in the conquered territories, namely Baghli of 8 dang; Tabari of 4 dang; and Maghribi of 3 dang. Umar made an innovation and struck an Islamic dirham of 6 dang.

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Source : *Alim.org-Umar bin al-Khattab History*