
**FROM THE INDIAN OCEAN TO
THE MEDITERRANEAN, THE GLOBAL TRADE NETWORKS
OF ARMENIAN MERCHANTS FROM NEW JULFA**

Following the deportation of 30 000 Armenians to Isfahan by Shah Abbas II of Persia in 1604, the Armenians built the city of Nor Julfa and made merchant settlements on the ways to Russia, China, Indonesia, India, England, the Netherlands, and the countries of the Mediterranean, running a huge trade company along those routes for nearly two centuries, operating in parallel with Muslim and Jewish trade establishments. The Armenians amassed great wealth and political influence in many countries around the world and earned experience and skills in controlling wealth and public opinion on a large scale, thus enabling a further development of those techniques and their evolution into mechanisms for the control of state-like formations.

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1604 թ. Պարսկաստանի Շահ Աբասի բռնագաղթեցրած 30 000 հայերի՝ Սպահանում հանգրվանելուց հետո վերջիններս կառուցեցին Նոր Ջուլա քաղաքը և կազմակերպեցին առևտրական բնակավայրերի մի ամբողջ շարք, որ ձգվում էր դեպի Ռուսաստան, Չինաստան, Ինդոնեզիա, Հնդկաստան, Անգլիա, Հոլանդիա և Միջերկրական երկրներ տանող ճանապարհներով։ Հայերը հանդես էին գալիս իբրև մի հսկայական առևտրական ֆիրմա այդ ուղիների երկայնքով՝ շուրջ երկու հարյուրամյակների ընթացքում։ Աշխատելով մահմեդական և հրեական առևտրական կազմակերպություններին զուգահեռ՝ հայերը աշխարհի բազմաթիվ երկրներում կուտակեցին նշանակալի միջոցներ և ազդեցություն թողեցին։ Նրանք ձեռք բերեցին նյութական միջոցներ և հասարակական կարծիք վերահսկելու կարողություն, ինչը նպաստում էր այդ մեթոդների զարգացմանը պետությունների առևտրական քաղաքականության ասպարեզում։

**A DIGEST
PART ONE**

Armenians held a monopoly on silk trade within Persia and abroad gaining an unparalleled economic prosperity. They also traded in Indian textiles and gems. They built a great trade network consisting of four overlapping networks: Circuit One: from Julfa through the Persian Gulf and to Mughal India, then to Southeast Asia, to Canton and to Manila and Acapulco. Circuit Two: the Mediterranean littoral – Aleppo, Izmir, Venice, Kivorno, Marseilles and Cadix on the way to Amsterdam and London. Circuit Three: parts of NW Europe including settlements in Amsterdam and London. Circuit four: North of Julfa, crossing the Russian Empire and leading to the Baltic and White seas. Relay stations in Astrakhan, Moscow, St. Petersburg, Archangel, and the Baltic region connecting the Russian Circuit to NW Europe, Amsterdam and London.

The Julfan merchants were the only Eurasian community of merchants to operate simultaneously across all the major empires including Mughal, Ottoman, and Safavid, Russia, China, the Portuguese, Spanish, British, Dutch, and French. The Julfan mercantile network interconnected the regional world-economies of Islamic Eurasia to the Christian Mediterranean and NW Europe during the 17 and 18 cc. It helped to develop the four large centralized Eurasian empires Savavid Iran, Mughal India, Ottoman Empire, and Russia and establish an infrastructure of transportation and patronizing mercantile communities. The same type of development was taking place during the reign of Akbar in Moghul 1556 – 1605 and of contemporaneous rulers in the Ottoman and Muscovite empires. All four empires promoted Julfan expansion and prosperity as well as the integration of the Indian Ocean with the Mediterranean and Europe. Thus, the Julfans formed a network contributing to integrating and connecting parts of the early modern world from the Mediterranean to the Eastern Eurasia. The Julfans also acted as cross-cultural brokers facilitating East-West technology transfers, diplomatic and financial negotiations.

The Julfans have left documentation at places from London to Isfahan, written in a now extinct dialect. Those sources are important for other mercantile communities and as correctives to the scholarship on Indian Ocean history generated by the bureaucracies of European East India Companies giving a false impression that the driving force of the Indian Ocean has been the crusading Europeans.

Merchant communities have been described by scholars as *TRADE DIASPORAS*. This paradigm was applied to communities like the Chinese, Parsies, Lebanese, or Julfan Armenians. It infiltrated the research practices of nationalist historiography. However, the concept of trade diasporas is superficial and has to be perfected and reformulated.

Civilizations of the diaspora type have occurred during the history of mankind, like the Jews and the Armenians who at the time of the renaissance in Europe were becoming international merchants from the Philippines to Amsterdam. There have been some attempts to define a diaspora-type community as a community of middle-men, and later the expression *TRADE DIASPORA* was coined which developed from the concept of *NETWORK*. Considering the implications of behavioral and social nature, a diaspora is a nation of socially interdependent, but spatially dispersed, communities.

The term *TRADE DIASPORA* was accepted among writers on social affairs and inter-cultural communities and became an adopted term within the theory of *TRADE SETTLEMENTS*. The emergence of the concept of trade diaspora also related to cases where specialists would remove themselves from the home community and go to live as aliens in another town important in the life of the host community. They would learn the language, the customs and could serve as cross-cultural brokers encouraging trade between the host society and people of their own origin and forming a trade network, or trade diaspora.

Mercantile networks maintained their integrity for long periods, thanks to the

circulatory flows from their nodal centers. However, networks required not just migratory mobility but also the sedentary form of life. The long-distance trade networks also needed ANCHOR POINTS, to endow them with permanence and stability, and also to facilitate and channel circulatory flows of men, information and capital from the centers, and to reciprocally redirect their own flows back to the centers. Trade networks needed sedentary settlements to act as ROUTING STATIONS. Some agents settled down and provided support for the agents that were passing through. They circled local knowledge to the center by letter writing.

There are two types of circulation societies. The first consists of a multimodal but monocentric network where the center regulates the identity and vitality of the network. The Julfan network is a paradigmatic case of such a trade network. The second type of circulation societies is a synchronically polycentric network, like the one run by the Sephardic Jews from numerous centers including Livorno, Amsterdam, London, Venice, Salonika, and Istanbul. The advantage of this network was its survival power. In the event of a shock afflicting one center the community could recover, in contrast to the destruction of New Julfa in 1747 which led to the collapse of the entire network.

The book is divided into two parts – descriptive (ch. 2 – 4) and analytical (ch. 5 – 9). Chapter 2 discusses the origin of the Julfan merchant community and its center at Isfahan. During the wars of 1603 – 1605 Old Julfa was razed to the ground and its population was deported to Isfahan. Chapters 3 – 4 discuss literature on Julfan settlements as well as archival evidence related to Mughal India, Southeast Asia, as well as Manila opening the way to Acapulco and Mexico City. Chapter 4 examines the Julfan network from the Indian Ocean to the Mediterranean, the settlements in Aleppo, Izmir, Venice, Livorno, Marseilles, and Cadiz, Amsterdam, London and the Russian Empire to the north.

A 17th-century traveler described the Armenians as universal Merchants that spread themselves in all Asia and in Europe. He wrote that since most of the information about the regional commercial activities was retained in the Armenian language, the future historians would be well provided with indigenous documentation.

An archive has been found in London of 1700 Julfan mercantile letters deposited in 1748. The letters were carried by Armenian overland couriers across the Mediterranean littoral and Asia Minor to Basra, where they were relayed to other couriers to Bengal; and farther to China. The letters were captured by a British naval ship and sent to London. This ensured their survival. The Persian documents among those Armenian letters are valuable, because the Safavid archives of the time had been destroyed after the Afghan conquest of Isfahan in 1722. Julfan documents remain crucial to scholarship not only on Julfan commerce, but also on Asian commerce in general. The study presented here is derived from thirty-one collections in a dozen countries and seven languages.

In 1595, an Armenian Mahdasi Aghaval bequeathed his house on Aras river to the children of his brother. This is the oldest surviving document from Old

Julfa. By that time the merchants of Old Julfa had already acquired international renown. There was no other textual evidence before 1604 when Shah Abbas I destroyed the town and carried off the population to Isfahan where they built New Julfa.

By the end of the 16th c. the town had 2000 – 4000 houses and the population about 15 000. The Julfans gained renown as purveyors of silk in the late 16th c. The rise of Julfa was unexpected, since the whole region suffered from war between the Safavids and Ottomans. The Julfans may have prospered by virtue of bribes paid to keep invaders at bay and important political patrons. The river Aras, despite its rough character, was flat and smooth at Julfa.

In the late 16th c., Julfa had a meteoric rise. There was a sudden upsurge in patronage activity, as noted by Dickran Kouymjian in his work on the revival of Armenian culture in early modern period. There was also a boom in the construction of stone crosses bearing traces of Islamicate influences and an upsurge in Armenian manuscripts. Records on tombstone for that period also bear witness to an economic boom. Reports by the European agents describe huge quantities of transported and traded silk, the Julfans being mentioned as the principal suppliers. The gradual transgression of silk business from the Iranian to the Armenian merchants during the 16th and early 17th cc. may be due to the fact that it was difficult for Shi'a Iranians to travel across Ottoman domains.

The first appearance of Julfans in Venice dates from 1571. By the end of the 16th c. the ties with Venice were strong, many Julfans resided in Venice and Rome. Julfa appeared in the world atlas as CHINLA. Julfa's rise is explained by its strategic location and proximity to silk-producing areas as well as conjuncture of these factors with global economy and a peculiar position amidst the ravages of war. After a brief stay in Iran, some of the Armenians and Muslims (tachik) deported from Old Julfa decided to return, but the wicked Kurdish khans killed them, and the whole mass of Old Julfans were settled in Isfahan.

The Armenians displaced from the war zone were relocated to Isfahan in 1606 and stayed there for three months, then they were granted land to build their houses, and before 1620 they also built twelve churches. During the initial years the Armenians had no rights to own land, but in 1619 this right was granted by King Abbas. King Abbas decided to grant the land to the Armenians because he decided to start a large-scale business in silk trading and making it a state monopoly. An auction for this monopoly was held, where the Julfans were able to outbid the English and gain a monopoly of the purchase of Iranian silk for export.

Abbas regarded the Julfans as important SERVICE GENTRY. As the new mercantile suburb was being built, Shah Abbas sent a Julfan as his personal representative to the Venetian Republic to negotiate an agreement against his Ottoman foes. A few years later Abbas sent a second envoy. Thus, it did not take too long for the Julfans to reestablish their position in Venice.

The forced migration of the Armenians in 1604 set the stage for the Safavid Empire. The Julfans were SERVICE NOMADS for the Safavid dynasty. They

were skilled merchants. They had earlier established connections with Aleppo, Venice, Mughal India, Europe and East Asia. As Christians they were religiously neutral and could never be sided with any of the surrounding Muslim nations for an opposition to the monarch. Their settlement was a privileged merchant ghetto. They were ideally loyal servants to their chief patron, Abbas I. Whether or not, as some researchers insist, the Shah had a design to gain an economic advantage from the silk trade, is irrelevant for what happened after the Armenians' resettlement in New Julfa and their becoming a prosperous trading community.

The privileges the Julfans received from Shah Abbas I resulted in economic prosperity. Even after the revocation of the silk monopoly in 1642 they maintained their privileged status and continued to run one of the greatest trade networks of the early modern period.

Armenian settlement in India was also spurred by a trade agreement between the ENGLISH EAST INDIA COMPANY AND THE ARMENIAN NATION signed in London on June 22, 1688. The Armenians obtained the right to transport their goods to Europe on the Company's ships around the cape of Good Hope, rather than on the land route across Ottoman territory. The Armenians got the right to travel on Company's ships at any time IN THE SAME MANNER AS IF THEY WERE ENGLISHMEN BORN AND SHALL ALWAYS HAVE THE FREE AND UNDISTURBED LIBERTY OF THE EXERCISE OF THEIR RELIGION. In an addendum to the agreement, the Company ruled that any group of Armenians over forty people could receive A PARCEL OF GROUND TO ERECT A CHURCH THEREON FOR THE WORSHIP AND SERVICE OF GOD AND THAT WE WILL ALSO AT OUR OWN CHARGE, CAUSE A CONVENIENT CHURCH TO BE BUILT, AND COMPANY WILL ALLOW FIFTY POUNDS PER annum during the space of seven years for the maintenance of such priest or minister as they shall choose to officiate therein.

Low taxes and religious tolerance attracted many Julfan merchants to India in the 17 and 18th cc. An Armenian tombstone was discovered dated at 1630, more than half a century before the English started to settle in Calcutta. In Bengal, the Armenians settled mostly in Chinsura from 1645, 28 miles north of Calcutta, close to Hugli, the leading port in Bengal. A wealthy Armenian family provided funds for the construction of the Armenian Church of Saint John the Baptist in Chinsura in 1695.

Chinsura's decline started in the 18th c. The wealthiest merchants resettled in Calcutta. In 1665 Armenians were granted land in Saidabad in Bengal. They built a church in 1758. Armenians were also present in other parts of India, particularly in Madras since 1666. The headquarters of the East India Company in London set a task of attracting the Julfan Armenians to Madras, building an Armenian church and calling this area JULPHA. Madras was an important hub in the Indian Ocean and was close to the diamond-producing region of Golconda. An Armenian printing press was established in Madras in 1771, and

the first ever Armenian periodical AZDARAR was published.

There are two schools of thought on the Armenian settlements in Burma. One says that the Armenian communities in Burma were extensions of the Indian communities. The other says that the Armenians were in Burma at the same time as in India or even earlier. Armenian merchants settled in Burma before the destruction of Old Julfa in 1604. The presence of Armenians has been dated in 1541 and 1545. Armenians were mercenaries in the Burmese army, thus beside being merchants they had also political interests and were integrated into the establishment.

By the 1690s, the Armenians of Madras had wrested control of maritime trade with Pegu from the English. The study of documents shows that the Armenians had an agent in Pegu in 1676. Further documents and letters show that New Julfa had control over the Armenian communities in India and Pegu by sending priests there, sometimes when the control was loosened; the communities sent letters to New Julfa requesting to send more priests. Between 1685 and 1737, Armenian traders enjoyed considerable influence in official circles of Ava and Syriam. As translators and go-betweens they had access to secret information, and it was going on into the nineteenth century.

In the 1680s a manual was published for the young Julfan merchants listing an itinerary for those moving from the East to the West. The listing includes 40 cities and localities starting from 1) Multan, 2) Lahor, 3) Sehrend.... and ending with 36) Timor, 37) S'lhor, 38) Manila, 39) Siam, 40) Jabal'sdan. Itineraries of the Julfa Armenians used to be mentioned in some documents predating the founding of New Julfa. In Southeast Asia the Armenian settlements were offshoots of the Indian communities. In the 18th and 19th cc. the settlements multiplied spreading to Singapour and China. A prominent Armenian merchant Matheus Joannes was said to be worth several times the annual budget of Macao. The most distant node of the Julfan network was on the rim of the Pacific Ocean.

In 1792, Dom Josef di Perreira Viana, a consultant of the company Real Compania de Filipinas, recommended to invite the Julfan Armenians to settle in Manila. His report said that the Armenians had taught the English the commerce. The report said that the Armenians had enriched the countries where they had settled and had developed those countries a great deal. The report proposed to give the Armenian great privileges, so that they could live in the country and be eligible to hold any office and to navigate to any ports. However, by that time Julfa had collapsed, and the Armenians flocked out of Manila in the 19th century.

The Armenian nodal centers were well developed and worked very efficiently, but they, like other Asian networks in the region did not create a militarized trading-post empire with fortified settlements, as the Europeans did. Nevertheless, this presence was part of a much larger network, whereby the Julfan network expanded from the Indian Ocean toward the Mediterranean and Europe and the Russian Empire.

Expansion to the West made the Julfan merchant community a bridge for economic and cultural encounters between the Mediterranean and the Indian Ocean. Julfan merchants often were residents in multiple states, empires and regions. They were among the leading TRANS-IMPERIAL SUBJECTS. They lived in the world of TRANSIMPERIAL COSMOPOLITANISM.

Armenian merchants settled in Livorno in 1553. In 1582 a merchant named Khwaja Gregorio di Guerak Mirman from Old Julfa resided in Livorno as the AGENT OF THE SHAH OF IRAN. It was before the reign of Shah Abbas I (r. 1587 – 1629). In 1600 there were 110 businesses belonging to Julfans in Livorno, who were massively attracted there in the 1630s by low customs duties and religious tolerance. The Julfan merchants changed their preferences from Marseilles to Livorno due to favorable tax policies. The Armenian population was not numerous and were coming not only from Julfa but also from Ottoman cities. In 1643 the first book that was printed was an Armenian psalter. The city was tolerant to the Armenian religion. In some Catholic churches they allotted space to the Armenians to worship. The Church of St. Gregory was opened in 1714 after a long argument with the Catholic authorities.

Next only to Venice, the Livorno community was the most vital Armenian settlement in the Mediterranean. It connected the west (Mediterranean) and the east (Indian Ocean and Iran). The circulating commodities were silk, Indian textiles and calico printing, gems and diamonds. A summary of commercial transactions has been preserved showing a rich merchant, Agha di Matuss and his inventory of travels. He represented the Livorno Assembly in Rome. He bankrolled the construction of the Armenian church and received a full Roman citizenship in 1698 and the titles PRINCE OF THE ORDER OF THE CROSS and COUNT OF THE LATERANS.

In 1623 the consuls of Marseilles wrote to the king complaining of the invasion of Armenians with bales of silk. The Armenian merchants were pictured as greedy and dangerous people seizing the Marseilles market to increase their profits. The authorities of Marseilles took protectionist measures banning the Armenian silk merchants from trading. However in 1629, King Louis XIII allowed Iranians and Armenians to trade in France through the agency of some French merchants and an Armenian named Antoine Armenis, a resident of Marseilles since 1612. Later, Cardinal Richelieu allowed free trade, but protection was reintroduced after his death in 1642. Subsequently, the Armenian trade was variably on and off, some of the trade being sustained using the French shipping and with regard to the anti-Ottoman policies of Paris. The Armenians also were instrumental in transferring the technology of calico printing to Marseilles in the 1670s and 1680s, setting calico workshops. In 1720 the Julfans elected one of their own as the Iranian consul. In the 1660s Marseilles became an important center of book printing. One of the books was a manual comparing the different calendrical systems, another one a language manual for learning Italian. Most books were in the Julfa dialect.

London became home to forty Armenian merchants in 1800s. Khwaja Panos

Calendar in 1688 signed the TREATY OF EAST INDIA COMPANY WITH THE ARMENIAN NATION. Later the number of Armenians in London dwindled, and they became a satellite community of Amsterdam. The first Armenian Church was in Manchester in the late 19th century.

Another avenue of Julfan expansion was across Russia over the Baltic Sea into Europe. In 1659 a Julfan merchant Zaccaria di Sarat brought to Moscow a golden throne studded with hundreds of diamonds as a gift for Czar Alexei Mikhaylovich. In 1673 the Julfans obtained the right to transport merchandise across Russia. In 1692 agreements were signed with the Dutchy of Kurland (now Latvia) and with Sweden, to go across the Baltic Sea.

In Astrakhan there were eleven Armenian families in 1616, and the Armenian population grew to 3 500 in 1781. By 1744 the Armenians had built two churches, and later they were allowed to have their own courthouse. Other Armenian communities included Kazan, St. Petersburg and Moscow. Some prominent families settled in Russia in the 1740s. The family of Shahrimanian established Russia's silk-manufacturing workshop in Moscow.

The first Armenian newspaper, Azdarar, was launched in Madras in 1794, published commercial information for Madras's Armenian merchant community. It included timetables of shipping traffic, prices of commodities and advertisements. There were also news regarding the Armenian communities in India and world news.

With the advent of newspapers, the formerly secretive economic communication became public and fueled the growth of modern capitalism. However business correspondence remained efficient in conveying information, with letter writing as the principal means of unifying the dispersed Julfan merchants and constituting them into an imagined merchant community.

A typical letter consisted of one or several pages in Armenian, sealed with red wax. The addressee was pointed out on the outside, in Armenian. Sometimes there were instructions or alternate places where the addressee can be found. Some addresses could be written in the language of the destination country. Some letters were delivered by professional couriers working within the network and able to read Armenian.

The third, and the most important, category of information in Julfan correspondence was news about commerce. There were lists of current prices for commodities. Some letters contained data on weights and currencies. Those data were also published in a trade manual "Compendium" in Julfa in the 1680s. It was used as a textbook and carried by merchants to remote places, however the current exchange rates were communicated by letters. Up-to-date price lists helped manipulate the market and use the information to compete with rival networks. One letter informs of the arrival of many European ships carrying merchandise and causing an indeterminate situation with the prices. The letter writer requests precise information to be regularly dispatched on the prices and the amounts of goods delivered to specific destinations so as to adjust the prices properly. Intelligence on market conditions was extremely important,

for it alerted a merchant about dangers or benefits of selling in a particular market. In the Julfan jargon, the data on purchases and expenditures was called SALT and was the most important part of any communication.

The most significant function of letter writing was commercial intelligence in the form of updates on market conditions. Occasionally the Asian trade was viewed as a “peddler economy”. According to this view volatility of distant markets remained non-transparent to the peddler, so that efficient trade could be done only by the joint-stock companies keeping all documentation and having formal headquarters and trading outposts in the Indian Ocean. The Julfans did not have the complex structures, like the official companies operating in the Indian Ocean but they relied on the patriarchal structure of the extended family, the family firms and numerous agents dispersed in all markets of the Indian Ocean and the Mediterranean. Like the big firms, the Julfans practiced two types of business correspondence: circulars to important subordinates and letters to agents. The chief offices used to keep a ledger with all originally written letters, the letters dispatched being copies. The letters were meticulously classified. A courier was detained by the Russian authorities in 1724 and thousands of letters confiscated. They are now stored in a Moscow archive. The copies were preserved for such correspondence was considered valid evidence in court. The Archivio di Stato di Venezia also keeps thousands of letters because they were presented as evidence in lawsuits. Copies were also used for retroactively adjusting the account books, if needed.

Julfan commercial correspondence was delivered from one Armenian settlement to another finally reaching Julfa through a courier system. Letters were delivered by professional couriers or by travelling merchants. Mail from India to Julfa traveled on European company vessels or on ones owned by Armenians. Mail traveled by two routes: one maritime and one overland. The couriers often waited in ports for the ships to come with mail. They knew all schedules and all ships and planned the dispatches ahead. Sometimes use was made of express carriers to speed up the delivery by combining the overland and maritime transportation.

Information remitted from Julfa reached the outposts at different times, depending on the distance. Much of the latest news was conveyed by word of mouth from the center to the margins of the network. There is no surviving correspondence from Manila or Tibet, but it is clear that communication with those outposts obeyed the same logic that applied to the settlements in India.

The mail service between India and Julfa was largely dependent on the monsoons that changed direction twice a year, so, if missed, one had to wait another year for the tailwind. For a person trading around Indian Ocean, information about winds and shipping was of primary importance. The speeds of delivering letters can be calculated by the dates of writing. According to the shortest and the longest periods registered, it took an average letter to travel from Isfahan to Calcutta from three to seven months. Business letters had a priority. However, communication was slow; letters could be lost or pirated. A

common practice was sending several copies of the same letter through different couriers thus increasing the chances of letter survival. A common complaint was failure of travelers to send news to their families. Some of the letters contain bitter reprimands by family members to travelling merchants for long absence and ignoring family interests. However, those cases were rare. Most were in regular, though often delayed, communication.

The mail system was indispensable for Julfan society. Sending timely information often meant the difference between making a favorable investment and being stuck with merchandise. To do money transfers, agents sent letters of credits. Merchants in India needed to be apprised of the latest news, of which every letter contained a brief summary.

COMMENDA is a commercial contract that involves at least two parties: a merchant with capital, credit, or merchandise and an agent with business skills. Profits are divided in accordance with the terms of the contract. Usually it was $\frac{3}{4}$ to the merchant and $\frac{1}{4}$ to the agent. An innovative feature was the rules whereby in case of an accident the loss of assets is borne by the investors, the agent being not liable.

The COMMENDA CONTRACT is connected with origins of capitalism. It enabled long-distance trade and was replaced by joint-stock companies and multinational firms. The unilateral form of COMMENDA is when there is one sedentary investor providing capital and one travelling agent providing his labor. In the bilateral form of COMMENDA, the agent invests one-third. Profits are divided proportionally. Some historians think that the COMMENDA was a product of the Greco-Roman law, but others see it as an Islamic tradition. The Prophet Muhammad was a COMMENDA agent for his first wife, Khadija. The document titled "The Astrakhan Code of Laws" describes the Laws of Commerce in minute details, the relations between the parties of a contract, and the titles of the partakers. The parallels of the Julfan and Mediterranean commendas suggest that the Armenians may have borrowed their COMMENDAS from the Venetians in the 12th century. Comparative studies also indicate borrowings in the Armenian COMMENDAS from the Islamic documents and even directly from the Arabs when Armenia was under the Umayyad dynasty, 7th – 9th cc. Both in the Mediterranean or the Islamic societies, keeping accurate accounts was an important responsibility of the COMMENDA agent toward his master. In the Astrakhan code, it was emphasized that the master and the agents were not equal, the chief indicator of it being the unequal share of the profit. The most experienced agents also had the right to make investments while overseas without the master's constant supervision.

In the bilateral commenda the subordinate partner, the agent, also invested his share in the joint venture. The profit ratio could then reach 50 percent. The master's instructions to the agent were mandatory. The degree of master's participation in the trade depended on the experience of the agent. If the master demanded an immediate withdrawal of commercial activity and return home,

the agents had to follow that order immediately.

Circulation of agents within the commercial network was an institutional mechanism that made possible the operation of commerce and the extraction of profit. An English traveler in the 17th c. wrote about the high skills of the Armenian commercial agents in travelling money making. Another source described the Armenian agents as sparing, eating simple and cheap food and sleeping under modest conditions. The masters staying at home govern their travelling at a distance and educate the young generation in modesty and the love for hard work. In the Spanish city of Manila many Armenian Agents were subjected to hard interrogations by the Catholic authorities, and many protocols remain about their extensive travels and commercial activities. Many stories recorded from those young men's accounts were quite similar, the only difference being the variations of itineraries.

The Manila agents received education at a very young age. According to an Amsterdam notary's document, the Armenian agents at the age of 15 or 16 were considered adults valid to conduct business. Some visited Julfa to get married, others married local women at their outposts.

The COMMENDA was one form of partnership, but there were also other forms, like COMMISSION AGENCY, whereby an agent worked for another for a fee for a limited number of transactions. Another form of partnership was the FRATERNA or a family firm. The COMMENDA lasted long but was superseded by commission agencies and later by the joint-stock company. The COMMENDA was very versatile. It could unite with a great number of agents, that was how the Julfan trade expanded in the 17th and 18th cc.

The Sheriman family, Roman Catholic Armenians in Julfa was a very wealthy family. They did trading in gems and precious stones in the 17th century. In 1659 one of their family presented a golden throne decorated with thousands of diamonds to Czar Alexei, and the Julfan merchants were granted the use of the Russian route to export silk to Europe. In 1613 the family owned a house in Venice. Members of the family owned huge sums of money, made investments and offered loans to the Venetian Republic amounting to sums comparable to billions of today's US dollars to finance wars against the Ottomans. The family became Catholics and were granted privileges and Roman citizenship by the Pope. Both Russia and Julfa also received privileges from Rome and the Italian trading companies. The Sharimanians were granted the titles of counts in Hungary by Emperor Leopold II by the recommendation of the papacy. In 1694, the relations between the Catholics and the Armenian Church deteriorated, and the Sharmianians emigrated to Venice with all their families.

Some documents dated in the 1660s confirm the residence of the headquarters in Julfa and the patriarchal authority of the elder member of the family. Later the Shahrmanian Family relocated to Venice and Livorno. The headquarters moved to Venice in 1698, and the firm broke apart in 1717 into several independent branches. The family employed a large number of agents,

some of them non-Armenians, and spread their activities in Europe, India and Russia. It was a shrewd and strategically-minded family projecting the family's commercial interest and influence well into the future.

A contemporary of Shahrmanians was Minas, an extremely affluent businessman with contacts in India, Isfahan, and Russia. He was the richest merchant of all Julfans. Minas owned a fleet of merchant vessels. In 1676 he was invited by the English to settle in Bombay. After the atrocities perpetrated by the Persian rulers towards the Armenian population of Julfa and to the members of the Minasian family, the family emigrated to India. Their descendants still lived in Calcutta in the nineteenth century. After the resettlement in India the Minasians lost their influence. The Shahrmanians on the contrary continued their presence in Julfa and maintained operations in Venice and Livorno. The office of Julfa was strategically important.

Trust is a matter connected with expectations and risk. We cooperate with the one we trust because we think that the probability that he will act beneficially to us is sufficiently high. Trust is often explained as something based upon reputation. Reputation can be interpreted in terms of modern social scholarship and the theory of social capital. The World Bank describes social capital as "the norms and social relations embedded in social structures that enable people to coordinate action to achieve desired goals". Trust and cooperation reduce the costs of economic activities, for lack of trustworthiness, malfeasance, and resulting expensive litigation can increase transaction costs, making economic activity less profitable.

The conditions for the creation of social capital are CLOSURE and MULTIPLEXITY. CLOSURE means that a network must have clearly defined borders and set rules limiting membership to the individuals who share common values. In this way members and their reputations can be easily monitored. MULTIPLEXITY means a network's ability to connect its members through more than one role, i. e. not only business, but also church, social club, or school system. A good example of these concepts is the community of diamond merchants in New York who used to entrust bags of priceless gems to fellow merchants. Contracts are not required. Multimillion-dollar deals are concluded with word of mouth. Disputes are practically non-existent. In case of a violation, the guilty member of the social group is ostracized and ousted from the community.

The Julfan commercial law was not written but was not written but was customary. The code written and used by the Armenian community court in Astrakhan was based on the Astrakhan code of law named DATASTANAGIRK ASTRAKHANI HAYOTS. Julfans followed the judicial practice based on the Iranian law which was not written. Islamicate elements of Julfan culture include their dress code, architecture (domes and arches), dialect, culinary practices, and commercial law. According to this law, an agent was entitled to 20 – 30 percent of the profit from a commercial venture, and that he had to strictly follow his master's directions and enter each transaction in an account book, if not he will

be jailed.

Reputation was very important for Julfan merchants. Besides trading skills, an agent could be hired only if he had untarnished reputation and never kept company with suspicious individuals. What the agents feared most was a prospect to be blotted out of the list of honest dealers. For men of commerce that was like death, because in such cases the carrier was ended at once. In Julfa there was a juridical institution that issued formal decisions in cases of fraud or embezzlement.

The Armenian community in New Julfa enjoyed administrative autonomy under the kalantar or governor. The kalantar collected taxes and maintained public order. The kalantar was chosen from a wealthy family in the Armenian community. The first kalantar was appointed by the Shah in 1605, and then followed several kalantars advanced from the same family. The kalantars appointed twenty administrators from local districts who formed the Assembly of Merchants. Several books were written on this authority in the 19th and 20th cc. , of which there remained some documentary evidence. The Assembly operated rather informally leaving not too many traces in the form of documents.

Quite a few petitions to the Merchants' Assembly have been preserved. One type of them are commercial petitions addressed to the Kalantar, the head of the Administration and dealing with irregularities in the conduct of commerce in Julfa and in the overseas colonies. The Kalantar wrote the decision of the administration on the left margin of the petition with the seals of the Assembly members. The documents on secular matters carry no signatures of the church officials. Another type of documents are legal papers like powers of attorney, wills, testaments, and property deeds. The decisions taken by the Merchant's Assembly were recognized by the European legal authorities.

Trust can exist as social capital in a social network having two overriding properties – closure and multiplex ties. A closed and multiplex network with strict membership rules allows for efficient social monitoring. These features increase group cooperation. A good example is the Orthodox Jewish community of diamond merchants in New York. They attend the same religious services and schools. They can deposit bags of diamonds with each other for a later examination. The Julfan coalition was an organization of a similar type. It was motivated by economic needs. The Julfan merchants maintained their communal affiliation, thereby perpetuating the social identity of the network. It was a rational choice.

All networks encounter difficulty, mostly on the periphery. However, networks having multiple centers may recover from collapse by shifting their weight to another location. But single-center networks are vulnerable. The hypothesis that Julfa declined as a result of the fall of the Safavid dynasty after the Afghan conquest of Isfahan in 1722 is not true. The failing of the Julfan network center occurred in 1746 – 1747, when Nadir Shah imposed 90 000 tumans in taxes on the Julfans. The effects of his policies were disastrous.

The final collapse of Julfa came in 1729. Many Armenians fled to Iraq, India and Russia. A different interpretation says the decline of Julfa began in 1642 – 66, when Abbas II started homogenization of minorities. Both interpretations are problematic. Afghans imposed a tax of 70 000 tumans on the Julfans in 1722, the town prospered for several decades more. The prosperity continued during the Afghan rule, but under Nadir Shah there was a really bad decline. The Shah visited Julfa twice and levied heavy taxes on the merchants. At the same time, the trade declined, and many merchants fled the country. The effects of his policies were disastrous.

UNDER NADIR SHAH THE INHABITANTS OF JULFA WERE SUBJECTED TO LOOTING AND TERROR

In 1746 Nadir Shah spent forty-five days in Isfahan committing the city into looting and destruction. The army perpetrated terrible atrocities. One day the shah discovered that a carpet had been stolen from his palace. Eight suspects in this matter were burned alive. The shah spoke about his intention to massacre the entire community. Nadir's anger was caused by the Catholicos Ghazar Chahgetsis who had taken refuge in Ottoman territory after being unable to pay tax to the Shah.

Julfa circulated priests and played the preeminent role as a center for the spiritual life of the network. In the late 17th c. Julfa became its own diocese and had its own network of churches in India and Southeast Asia. Thus, being the most important spiritual, administrative and social center for the network, it is clear that the collapse of Julfa terminated the regional centers of the network. There was also simultaneous decline of the Muslim empires of Safavid Iran and Mughal India in the first half of the 18th century, toppling of the Safavid dynasty in 1722, and the Afghan and Maratha attacks in the 1740s and 1750s.

Like the Julfan network, the Multani Indian network was a monocentric network dominated by a strong nodal center, it also suffered a decline and collapse when its center at Multan City was destroyed in the early 19th century. Unlike the Julfans, however, the Multanis made a comeback by shifting their base to Shikarpur. The Julfans did not recover, but they had a chance of relocating their center to Madras. Some Julfans in Madras started thinking of themselves as members of the larger Armenian nation in a future national state where they hoped to relocate their capital. The Julfan long-term success was also limited by a structural flaw that is a matter for a special discussion.

Work has been done on comparing the three mercantile communities – the Julfan Armenian, Multani Indian, and Sephardic Jewish trade networks and trading practices. The comparison has been done on: (1) how each network emerged, expanded, and declined; (2) how each network was structured; (3) how networks used commercial contracts to organize long-distance trade. We shall see the correlation between a network's structural properties and its tendency to privilege one form of partnership over another.

The COMMENDA was the principal means of commercial expansion. However, while the commenda could well control the agents, it made Julfan trade insular and thus limited the ability of the network to expand into new markets. The entire population of Julfa never exceeded 30 000, therefore there was a natural demographic limit to network expansion.

Julfa's decline was going in parallel to the decline of the Safavid dynasty. The religious intolerance of Shah Sultan Husayn (1693 – 1722) forced flight of wealthy families. The subsequent political events forced another exodus of wealthy families to the Mediterranean, Russia, and South Asia. Both the township and the trade network finally collapsed due to monopolizing rivalry from the English East India Company.

The Multani Indian trade network resembles the Julfan Armenian network. Like the Julfan network, it was monocentric, based in the Indian city of Multan. Most Multani merchants were Hindus, but there were Muslim Multani merchants as well. Although merchants were known to be savvy traders in the 14th c. , their network began to expand only in the early modern period. It was expanding on dry land to Central Asia, Iran, and Russia, unlike the Julfans who also used the sea routes. Like the Julfans, the Multanis owed their success to the establishment of the four empires (Mughal, Ottoman, Safavid, and Muscovite), as well as several other concomitant events. By the 16th c. , Multani traders had branched out to Central Asia, Iran, Ottoman Syria and Russia. Unlike the Julfans, the Multanis were unable to set up a base in the Ottoman Empire or branch out into Europe. They were relatively marginal to the Indian Ocean arena. They were linked to each other and to the center in Multan. There was no documentation left of their operations but it is clear that they corresponded regularly with their agents.

The Sephardic network incorporated seven maritime empires: Ottoman, Venetian, Portuguese, Spanish, Dutch, English, and French. The Sephardic network was centered in the Atlantic, while the Julfans were based in the Indian Ocean. But the Sephardim had virtually no presence in the Safavid and Russian empires. The Sephardic network was not monocentric like the Julfan but had synchronic polycentricity. They had many dispersed centers. An advantage of a polycentric network was that it prevented a sudden collapse, like the Julfan collapse in the wake of the 1747 destruction of New Julfa. The Sephardic network originated in the Middle Ages and expanded after the expulsion of Jews from Spain in 1492. In the early modern period the Sephardic network achieved prosperity by virtue of a favorable political situation. By 1620 the Sephardic community of Amsterdam had established a wide maritime commercial web.

The Dutch expansion across the Atlantic after the founding of the Dutch West India Company in 1621 gave a great impetus to the vigorous expansion of the Sephardic Jews to the Caribbean, Brazil and New York. By the 1650s the Sephardic network had scattered across Europe, the Ottoman Empire, and in the New World. The Sephardic network had an exclusively maritime nature. Unlike

the Julfans and Multanis who had a limited choice of commodities, the Sephardic network was very versatile. They were also important agents in diamond trade. Sephardic involvement in world trade was very high in the late 17th – early 16th cc. London was a secondary node for the Sephardim compared to Livorno, Amsterdam, Venice, Salonika or Constantinople. There was also a very large trade of corals-for-diamonds with Madras. In the 18th c. the Sephardic trade diaspora lost its importance. The maritime empires, too, commercially declined by that time.

Between the Sephardic merchants and their Julfan and Multani counterparts there existed important similarities. All three relied on family firms and used networks of kin to structure long-distance trading. The Sephardim used the family firm: the general partnership in which all members had mutual agency. Instead of the commenda contracts they used the commission agency. A commission agent received a percentage of the value of transactions. To expand their trading networks, the Sephardic Jews had to hire agents from outside their community, for oftentimes they operated in the markets where Jews were barred from residing. To control the behavior of the agents the Jews had to cultivate cross-cultural reputational mechanisms by generating multilateral channels of information through business correspondence. So, the Sephardic network was more flexible than the Multani and Julfan.

The Sephardim were engaged in cross-cultural trade. Many traders belonged to distinct, often legally separated communities. Which was not the case with the Julfans and Multanis, having business only within their communities. Therefore they had a limited ability to expand to new markets and were inclined to stagnate due to shortages of skilled manpower. The origin of this limitation was the Julphans insufficient manpower. Their central community numbered 30 000 at most, and the outposts were a few dozen to 2 hundred men. It may be suggested that a correlation exists between network structure and choice of contract and insularity in trading practices. Thus, the structure of a network – monocentric (Julfan and Multani) versus polycentric (Sephardic), rather than location or culture, is what accounts for different patterns of trade.

The concept of TRADE DIASPORA has been fundamental in many research works on the world history, however it has yet to be defined and analyzed. The TRADE DIASPORA can be regarded as a descriptive, rather than an analytical, category. The questions still remain: how did merchants of dispersed communities communicate? What mechanisms did members of communities use to generate trust and solidarity across great spaces? The trade diaspora can be understood as CIRCULATION SOCIETIES, that is, social formations characterized by the circulation of information, credit, merchants, women and priests. The most important is information in the form of business correspondence.

This book describes a community of Armenian silk merchants deported by the Safavid ruler from the town of Old Julfa to Isfahan in 1604 – 1606. These merchants soon presided over a great trade network. This study reconstructs the

communities of the Julfan network stretching from Isfahan to London, Amsterdam to India, Canton, Manila, and Acapulco. The book tries to uncover foundational moments in the operation of the CIRCULATION SOCIETY OF Julfan merchants. This book examined issues including the impact of long-distance trade on the organization of community life. Armenian mercantile settlements spanned several empires. The book explored the creation of networks of trust between long-distance merchants. The study reveals the importance of information networks. The information network was supported by letter writing. The study has concluded that the privileging of the COMMENDA CONTRACT by the Julfans contributed to the insularity of their network, preventing the network from expanding and diversifying.

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(to be continued)