
FROM THE INDIAN OCEAN TO THE MEDITERRANEAN, THE GLOBAL TRADE NETWORKS OF ARMENIAN MERCHANTS FROM NEW JULFA¹

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.

compiled by V. HACHATOOR

1604 թ. Պարսկաստանի Շահ Աբասի բռնագաղթեցրած 30 000 հայերի՝ Սպահանում հանգրվանելուց հետո վերջիններս կառուցեցին Նոր Ջուղա 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 գուգահեռ՝ 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 TWO

The bulk of the Asian sources for the maritime and commercial history of the Indian and China sea has perished, while the European records represent the Asian life fragmentarily and through European eyes. Julfan sources, however, show the inner workings of the Eurasian mercantile community focused on local Asian actors in the Indian Ocean. (Sebouh David Aslanian, From the INDIAN OCEAN to the

¹ Սկիզբը տե՛ս ՀՀ ԳԱԱ «Լրաբեր հասարակական գիտությունների», 2014, - 1.

MEDITERRANEAN, *The Global Trade Networks of Armenian Merchants from New Julfa*, p. 5).

The subject of this book is the sociological aspects of Julfan society and economy as well as the impact of long-distance trade on the organization of community life. The purpose of the book is to explore the ways in which the merchants were able to travel across the Julfan settlements and create a hybrid identity and networks of trust between long-distance merchants. The book also explores some economic institutions like the COMMENDA contract and the family firm. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 5 - 6).

Another aim of the book is to show the importance of information networks and communication in merchant communities not only for commercial affairs, but also for maintaining the social and cultural integrity of merchant networks. Letter writing connected the periphery to the nodal center. The Julfan network is compared to two other networks. Placing too much premium on trust limited the ability to expand into new markets. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 6).

In the course of studying history, the historians started to get free of the “nation-statist historiography”. The TRADE DIASPORA paradigm was enthusiastically endorsed. A new field of study emerged, THE SOCIOLOGY OF MIGRATION. The concept of Diaspora was supplemented by a variety of diaspora typologies. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 9-10).

A network of settlements is created when commercial specialists establish themselves in alien host communities. Those settlements are TRADE DIASPORAS. They are socially interdependent, but spatially dispersed and stateless. They are culturally distinct from host society and from society of origin. They become CULTURAL BROKERS. The trade diaspora fills a niche or specializes in a sector of economy left vacant by the host society. It is politically neutral. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 9 - 10).

The mentioned definitions of TRADE DIASPORAS are too general, the Armenian communities have certain particular features, their diasporic migrations were not characterized by commercial motives alone. Many merchants were pushed out by being uprooted and forcibly transplanted, like Julfa merchants at the turn of the 17thc., when they established a new home near Isfahan. In other cases they were pushed by unfavorable economic conditions. The attributes of diasporas as STATELESS and DISSEMINATED are also to be analyzed more particularly in the case of the Armenians. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 10 - 12).

The concept of TRADE DIASPORAS has been descriptive; it helped us paint a

broad picture of merchant communities but did not show how they operated. How did they compete with other diasporas, how did they organize the market relations in the absence of legal institutions? The term NETWORKS seems to be better suited to describe those formations than the term DIASPORAS. The expression TRADE DIASPORA can be replaced by the notion of CIRCULATION SOCIETY. A trade network is a circuit consisting of a nodal center and a cluster of dispersed nodes. Circulating among the circuits are: merchants, credit, goods, information, women and priests. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 12-13).

The Armenian suburb of New Julfa was founded in 1605 and became a nodal center of a network of commercial settlements from London to China. All merchants recognized New Julfa as their principal center. The center supplied them with merchants, commercial information, commodities and clerics, so the widespread community of settlements operated as a CIRCULATION SOCIETY. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 14).

Chapter 5 addresses the circulation of information. Thousands of letters were written in a unique dialect of mercantile Armenian both from the center and from the nodes. The letters were delivered through a crucial network of individual communities joined together through their nodal center in New Julfa. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 16 - 17).

Chapter 6 explores the circulation of merchants and credit. The main commercial principle used was COMMENDA, whereby one party provided capital and the other party provided labor against one-third of the profit. This principle was widely used with variations amidst the Mediterranean commercial community. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 17).

Chapter 7 examines the issue of trust and cooperation. Trust was needed because legal institutions of enforcing contracts and punishing offenders were absent, while trust was taken for granted because of family ties. Trust was effected by monitoring the relevant individuals using the information flows within the Julfan network. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 17 - 18).

Chapter 8 describes the decline and collapse of the Julfan network. In 1747 it was looted and overtaxed by Nadir Shah Afshar after the Afghan occupation of Isfahan and the collapse of the Safavid dynasty in 1722. There was financial ruin and exodus of wealthy families to India who later succumbed to the rival network of the English East India Company. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 18).

The conclusion examines two other trading networks, the Multani Indians and the Sephardic Jews. A structural flaw of the Julfan network was practicing the COMMENDA CONTRACT which limited the network's ability to expand. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 18).

In the commercial operations of the times under scrutiny there was a severe lack of documentation. The obscurity may have been deliberately adopted to discourage outside investigations. The private papers by Indian merchants were almost all lost. However, this lack of documentation did not apply to Julfan Armenians, for over 10 000 documents on the Armenian trading practices have reached us. Since the Armenian merchants were intermixed with the Islamic societies, the Julfa documents are useful to scholars of other Asian merchants as well. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 19 – 20).

Chapter 2 describes the history of Old Julfa and its destruction by Shah Abbas in the war of 1603 – 1605 followed by the emergence of New Julfa, a suburb of Isfahan. The first section describes the rise of Old Julfa to fame and fortune in the late 16th c. The second section examines the war of 1603 – 1605, and in the third section Shah Abbas grants them land to build an Armenian suburb. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 23 – 24).

There are very scanty sources about Old Julfa, but after the resurrection of the city in the form of New Julfa, it is amply documented. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 24).

Our caravan arrived at Chiulfal, a town of 2000 houses between the Armenians and Atropatians, and yet within Armenia. The people traded in silk and were rich. The soil was barren, but people were affable. The town was subject of Persia and enemies of the Turks. It suffered in the war between Turkey and Persia. (from a letter by a traveler). The ruins of Old Julfa lay on the northern bank of the Aras River. The town was protected from the north and the south by a high mountain and the river, and on two other sides by high walls. The soil was so dry that agriculture was ruled out. That was the reason why the population turned to commerce. The river was on the crossing of all major routes. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 24).

Iran's silk trade must be regarded in connection with the political situation. King ABAS was fighting several wars. There were Georgian and Armenian converts to Islam who fought in the Shah's army, and "Abbas started to promote them to key positions of power. Abbas introduced a number of economic reforms that made up a historical background for the development of the silk trade. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 30 - 31).

One of the difficulties facing historians is the primary source materials, like Abbas's policies and motives. One must be cautious not to interpret history using the knowledge of the subsequent events. Some historians have argued that Abbas had a plan of using the Julfans to promote his future economic development. As if he had a purpose to enlist the industrious nature of the Armenian merchants in the service of the Safavid state and had a verbal treaty with the Armenians. However, in the absence of evidence, it is impossible to verify the claim of a verbal treaty. It looks like a retrospective projection of intentionality into Abbas's plans and is not supported by contemporary historic material, like the brutal deportation of the Armenians and the destruction of their town. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 31 - 32).

By 1604, King Abbas waged a successful war against the Ottoman and while visiting Old Julfa he received an unprecedented royal welcome from the Armenian population. The decision to deport the Armenians was made in the face of the Turks advancing from the West, as a continuation of the scorched earth policy, so that the advancing Turkish army should be deprived of food and fodder for their beasts. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 33 - 34).

Estimations of the New Julfa population in the 17th c. differ from 10 000 in 1642 to 50 000 in 1685. The town was an exclusively Armenian colony except for a few Catholic missionaries, French artisans and Iranian spies. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 39 - 40).

Between 1606 and 1620 twelve Armenian churches were built in New Julfa, and by 1660s All Savior's Monastery was built heading the diocese of all Armenian churches in India and Southeast Asia. The town became an important Armenian cultural center during the 17th c. The Armenian priests started to print books in 1646. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 40).

In the city of New Julfa there is one main street and twenty perpendicular streets forming twenty plots each having an administrator reporting to the Mayor. The Mayor and the twenty administrators were joined with a Municipal Assembly to form the key administrative body known as VACHARAKANATS ZHOGHOV or ASSEMBLY OF MERCHANTS. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 40 - 41).

By the early sixteenth century, Julfa traded with India through the Strait of Hormuz. By 1580, the Armenians were in Hormuz along with Persians, Turks, and Venetians. In the late 16th century, Armenians were encountered in the southern port city of GOA. The Portuguese appeared on the western coast of India in 1498,

they found Armenians already living there. When the Portuguese came to the town of Mylapur (later renamed San Thome) on the outskirts of Madras, they found Armenians who lived there and were enormously wealthy. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 46 - 47).

In the 16th c. Armenian merchants were invited to settle in the Mughal capital of Agra by Emperor Akbar the Great. Some documents mention Armenians in Akbar's court, including Abdul Hayy, Akbar's minister of justice. An Armenian church was built in Agra in 1562. According to the historian Mesrobian Seth, the earliest tombstone in the Armenian cemetery of the city of Surat dates from 1579. Surat in Gujarat and Lahori Bandar in Sindh were important hubs for Julfan merchants in the 17th century. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 47 - 48).

Armenian migration and settlement in India during the 17th century were accelerated by the founding of New Julfa in 1605 and by the transfer of Hormuz from Portuguese to Safavid control and the consequent opening of the Indian Ocean to Julfan merchants. Merchants from New Julfa started visiting the markets of Hyderabad, Golconda, Masulipatam, Hugli, Patna, and Calcutta. Because of the difficulties of sea travel caused by monsoons, they used to remain in India for up to two years and formed new settlements along the way to India. In the late 17th c. they had crossed the Himalayas from Patna to establish a community in Lhasa (1680s – 1717) and settled in Manila and in the Dutch colony of Batavia in the 18th c. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 48).

To collect taxes and to maintain the ethno-religious identity, the religious hierarchy of All Savior's Monastery in New Julfa periodically staffed the churches in India with Armenian priests. The structure of the Armenian church in India was hierarchical, churches in smaller areas being subordinated to the churches in the regional centers. The senior priests posted by New Julfa were in regular communication with the center and acted as a parallel conduit of information. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 52).

The Armenian researchers Levon Khachikian and Hakob Papazian discovered an accounting ledger in 1968 belonging to Hovhannes of Julfa, who had resided in Tibet in 1690. This document brought to light the life of the Armenian community in Tibet since the 1660s. Musk, precious stones, and Chinese gold were exchanged for Indian textiles, amber, and pearls. Tibet was an extension of the trade networks in Bengal and northern India. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 52 -53).

The Julfans supported the Capuchin Missionaries in Lhasa since 1706. The Armenians helped to integrate the European missionaries with the Tibetans and

even translated a book of catechism into Tibetan. The resident Julfans were granted privileges in Tibet. The attraction of Tibet was that it was close to China, where silver was more prized than gold. The Armenians often guided the Europeans travelling in China. Some Armenian merchants were present in Sining. The history of the Armenians in Tibet ended in 1717 when Tibet was invaded by the Mongolians followed by the Chinese occupation in 1720. (Seboud David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 53 - 54).

The active voyages between the Indian Ocean ports and Manila financed by Armenians need more study. The Spanish banned trade with the Philippines for the English and the French, but the Armenian ships flew their own Armenian colors – red, yellow, and red, with the Lamb of God in the middle yellow stripe, so they became pioneers in the Indian Ocean maritime trade with the Philippines. Some of the East India Company's vessels also flew "Armenian colors" and hired Armenian captains to avoid the Spanish ban. However, the Spanish crown soon cracked down on this illicit trade, so that in the 1660s and 1680s there were cases when Julfan merchants were prosecuted. Julfan merchants established residence in Manila, but they were persecuted by the Portuguese authorities and some were even converted to Catholicism in the 1730s. (Seboud David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 56 - 59).

Travelling to Manila was not easy. Many itineraries proceeded by land through Basra, then Madras, and then via an Armenian ship to Manila. In an interesting story recovered by researchers, a young man travelled to Manila in search of his father. He was detained by the Inquisition, and the officers of the Inquisition wrote down his story with all his adventures, his parents, and descriptions of all the places he had resided in. He was compelled to convert to Catholicism. Accounts of this type showed that some young Armenians covered enormous distances and lived for long periods at very different places not only in the Indian Ocean but also across Russia to Amsterdam, and the Mediterranean, Southeast Asia to Manila. Some merchants used the Spanish colonial outpost to depart to the New world. A merchant named Gregorio de Xavier traveled to Acapulco in the 1730s on the Manila galleon. Some records remained of similar people who were interrogated by the Mexican Inquisition, including Catholic Armenians who further traveled as far as Yucatan and Peru. (Seboud David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 59 - 62).

The Spanish authorities were tolerant to the Armenian merchants although the Armenian church was regarded as heretical and schismatic. Many Armenians converted to Catholicism for practical reasons, upon returning to Julfa they reverted to their faith. Those conversions helped us to obtain the genuine accounts about the activities of the Julfans in the Philippines. (Seboud David Aslanian, *From the*

INDIAN OCEAN to the MEDITERRANEAN, *The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 62 - 63).

In the early 17th c. , an Armenian scribe Simeon Lehatsi passed through Aleppo and noted an unusually prosperous Armenian community of 1500 individuals. Aleppo's geographic position attracted many European and Armenian merchants, mostly from Julfa. The Portuguese traveler Pedro Teixeira noted the Julfans' residences FIT TO HARBOUR PRINCES during the 1590s. The seat of the Catholicosate of Cilicia moved to Aleppo during this period. A notable Aleppo merchant monopolized the silk trade and operated a network to Amsterdam and India. He was the customs director of Ottoman Syria and superintendent of commercial institutions of Aleppo. He built a church in 1616. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 67 – 68).

Armenians settled in Izmir in three waves: in the 11 to 12th c. , after the Seljuk conquest of the Bagratid Kingdom; after 1380, following the collapse of the Kingdom of Cilician Armenia; after the Safavid-Ottoman war of 1604, when a segment of the eastern Armenian population had settled in Izmir. In 1631 there were 100 Armenian households in Izmir, and in the 1670s there were 130 families, or 10 percent of population. As noted by the French traveler Louis Deshayes, Izmir had become the most important center of silk traffic instead of Aleppo because of less dues and good port facilities. The Dutch loaded their goods on Dutch vessels taking them to Venice, Livorno, Marseilles, and Amsterdam. Some Armenians also owned ships. Izmir was an important trading and cultural center with churches, a printing press and connections with the Julfan institutions. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 68 - 70).

In Venice, an important nobleman Marco Zianni founded an Armenian hospice serving as an inn in the subsequent decades, then the Armenian community started to grow, and the city added a new street, Ruga Giuffa (Julfa Street). A further development of the Armenian community brought about the founding of the Mchitarist Congregation on the Island of St. Lazarus granted to the Armenians by the Venetian Government in 1717. In Venice, the first book in Armenian was published in 1512. The growing number of Armenians were mostly coming from Julfa, as witnessed by linguistic usages in written documents. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 70-71).

The Spanish scholar Hipolito Sancho de Sopranis puts the appearance of the Armenians in Cadiz in the 1660s when the first records about their residence appeared in Archivo Historico Provincial de Cadiz. The Armenian residence of Cadiz dates from the 1660s, the merchants circulated between Cadiz, Livorno, Lisbon, Venice, Amsterdam and Tangier. They had their private chapel in the Catholic Church of Santa Maria and decorated this church with tiles having Armenian inscriptions. The person responsible for the construction of that chapel was David

Shakarian who also founded the first Armenian church in Amsterdam in 1664. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 77–78).

The growth of anti-Armenian feelings in Europe resulted in the Spanish King issuing an order to ban the Armenians from Spain, but the Governor of Cadiz petitioned the King and the order was revoked due to the Armenians' acts of public piety and generosity. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 78–79).

Amsterdam and London were on the westernmost edge of the Julfan network. Julfan merchants started to settle in Amsterdam in 1627. The church was founded in 1663. Armenian printing presses operated from 1660 to 1718 printing the classic work of Armenian history by Moses of Khoren in 1695. Manuals were printed on weights and measures as well as the Armenian world atlas (1695) and a treatise on geography. Amsterdam was connected to New Julfa via the Baltic region to Moscow or Archangel and via Astrakhan to New Julfa. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 79 - 80).

The economic dynamic for the expansion of the Julfan commercial network was the bullion price differential between West, the Middle East and India. The Julfans had started up as a small community transporting merchandise from Persia to the Mediterranean, and became a monopoly covering a large geographic area. The Julfan commercial network was made possible by the following factors: the location of settlements was determined by economic motives and access to markets. Another important factor was communication with the center in Julfa. Tibet and Manila were exceptions, but they opened access to Chinese gold and Mexican silver. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 84 – 85).

Where there were a sufficient number of Julfan merchants, they established churches and printing presses. It was important to commercial success and integrity of the network. Julfa patronized these institutions and spent money on the settlements that had been obtained through those settlements. The churches and printing presses also serviced the non-Julfan Armenian populations and were linked to the Catholicosates at Etchmiatzin or Cilicia. The Armenian trade diaspora also included subsidiary centers in the Crimea, Constantinople, and Izmir. They were glued together by circulation of information, credit, merchants and priests from New Julfa. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 85).

The information that circulated within the network was mostly knowledge about markets and constituted the secrets of the trade. By the 18th c., New Julfa branched

out across a global trading network stretching from Amsterdam to Manila. Information sharing and letter writing maintained the integrity of the network and connected agents to their masters. The Julfan trade network was built on a culture of long-distance commercial correspondence. Through thousands of business letters, Julfan merchants maintained a system of circulating information. That system worked as an intelligence network with the data pertaining to the spheres of Julfan activity. The business letters had their own style and content. The news between the Mediterranean settlements and those in the Indian Ocean were speedily delivered to the center in New Julfa across a considerable distance. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 86 – 87).

Most of the Julfan correspondents maintained high levels of penmanship acquired in a school in Julfa. The language of Julfan correspondence is a defunct dialect. It was, therefore, well suited for confidential communication. Some letters enclosed bills or notarized powers of attorney. One letter contained a lock of hair used for identification. Most letters followed common epistolary conventions for all faiths and languages, beginning by invoking God's presence, with an ornate introduction, and concluding with a self-deprecating phrase. In the Julfan letters, the commonly encountered phrases were: Let this be submitted or petitioned to the above-mentioned masters. May the Lord God grant my masters long lives and more wealth and continuous good success until ripe old age. From your small and menial servant, I let it be submitted to the above-mentioned Sir, that... Self-deprecating phrases like MENIAL SERVANT or THE DUST AND ASHES OF YOUR FEET were quite common. Following this type of introduction, the writer usually went over to the actual information on his current state of affairs. Oftentimes tragic news are interspersed with business information. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 92 – 96).

One category of information conveyed in the letters by the Julfan merchants were political news. The welfare of Julfa as nodal center was important for the whole network, therefore the Shahs' ascensions, depositions and assassinations with all related changes in the life of the Julfan population were reported to the whole network by way of personal letters. During the War of Austrian Succession (1740 – 1748) the Armenians in the Julfan network followed very closely the presence of English men-of-war on the seas. The French naval traffic was also monitored, for during the war the navy ships often confiscated commercial goods under the pretext of their alleged belonging to the enemy. The news of military occupations and battles modified the trading situations and were conveyed in the letters as well. There was also personal information as to the births and other family events. Interestingly, expectant fathers receiving news of some rival merchants having had newborn daughters believed that it was their turn to have sons. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 96 – 97).

The second category of information in Julfan letters relates to the merchants. They carried out business at great distances, where there were no effective legal institutions or courts, so the agents who operated at distant points had to be provided with large sums of money and complete trust. The reputation of the agents was crucial. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 97).

The network was also used by the church. The function of the clergy was to maintain the integrity of the commercial network by ensuring that its members stayed in their religious identity and continued making donations to the church. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 110 – 118).

Mail from Julfa to settlements in the Mediterranean was dependent on a combination of overland and maritime transport. The data on this mail is stored in a few archives in Italy. All those archives retain the correspondence of one family – the Shahrirmanian family of Catholic Armenians who left Iran for Venice in 1698. Each letter was sent in three copies using different routes and depending on many factors like safety of the routes, shipping schedules, etc. , the transfer lasting up to thirteen months. The family used professional couriers, but the letters often went their usual way, with family members who headed in the desired direction. The network of communication in the Indian Ocean and the Mediterranean was a vital part of the commercial community with the nodal center in Julfa. Despite the differences in functioning (Monsoon timing in India and Caravans in the Mediterranean), those regions were locked together and were governed efficiently and beneficially. The Sheriman family conducted business with all settlements both in India and the Mediterranean, the Arabian Peninsula and Southeast Asia. They even traded with Brazil. The family regularly remitted information to Julfa. Their headquarters were in Venice and Livorno. The time of the information going from India to Venice was about seven months. Commercial correspondence was an integral part of Julfan economy in the early modern period. The sharing information among all parts of the Julfan commercial system was the key to success. Through this information the different parts of the world were held together and preserved the ethno-religious integrity of the network, while the members of this community were participants in the coalition and shared New Julfa as their central node and a common homeland. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 119 – 120).

Grigor of Daranagh, a 17th-c. Armenian priest wrote a chronicle condemning the Julfans for leaving their families and circulating for years throughout the world prompted by greed and love for money. The Julfan business was based on situating the COMMENDA CONTRACT within the FAMILY FIRM, the basic unit of Julfan

commerce. It was the major cause of expansion of the Julfan commerce. The Commenda facilitated the circulation of men, goods, and capital to the farthest reaches of the Indian Ocean and accommodated into the patriarchal structure of the family. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 121 – 122).

While an agent was away on his master's mission, the master had an obligation to take care of his family. The assets expended on keeping the family had to be refunded during the final settlement. The wealthy masters could hold the agents' family members as collateral for their agents honest conduct. Upon return of an agent, the protocol demanded a complete settlement, if not, the agents was considered a thief. The master and agent wrote a summary of their transactions, pointing out the mutual profits and thus the deal was finally concluded. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 132). The agent traveling along his commercial route kept a ledger recording a summary of his transactions. This ledger is an important historic document containing information on the prices of commodities and profits earned by agents. The summary ledger was written in two copies and contained all details of commercial transactions and geographic information. The summary ledger was concluded with a termination of the transaction, and another document was made to release the parties from their mutual duties. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 132 – 136).

Julfan COMMENDA agents received informal training from senior male members of their families. Later they went to a special trade school in Julfa that had 300 students in the 1680s. The school published a manual. The introduction discussed the meaning of commerce in society. Then followed a discussion of trade routes reaching to Manila, Amsterdam and East Africa, followed by the names of markets, information about the currencies and weights, dominant commodities, prices and advice on investments. There were also courses on arithmetic and accounting, mathematical problems and accounts in financial ledger. A copy was printed in Amsterdam in 1699. Young Julfans could also attend courses in foreign languages, geography and arithmetic in Isfahan. In the 17th c. there were several Italian grammars printed in the Julfa dialect. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 136 – 138).

The extended family played a crucial role in European trade before it gave way to the organization known as the joint-stock company. In Asia and in India the family stayed longer. Some researchers in the Soviet Armenia introduced the idea that the Julfan merchant structure was based on a collective form of ownership similar to the joint-stock companies. That blunder was based on a misinterpretation of the texts written in Julfan Armenian. In actual fact, the Julfan business was entirely based on

the familial patriarchal type of organization with the central role of the extended family. The attempts of some scholars to incorporate a unified trading company into the family firm structure of Julfan trade is not supported by a single document. The patriarchal institution of the family is the key to understanding the organizational basis of Julfan Armenian trade. Unfortunately, sociological research on the social and economic role of the Armenian patriarchal family will have yet to be done. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 144 – 147).

The strictly patriarchal rules of the Julfan extended family demanded that the patriarchal authority be descended to the surviving elder brother, if no brothers – to the elder son, etc. The rule of the male seniority also applied to the running of the family business. Julfans combined the structure of the patriarchal family with techniques of capital investment in overseas markets, credit-sharing, complex accounting, and information monitoring. Unlike the modern firms, the typical Julfan family firm did not feature a separation of ownership and management. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 147 – 148).

Each of Julfa's twenty districts had a representative in charge of the internal administration. These representatives were members of the two administrative bodies of the town: the Assembly of Merchants and the Municipal Assembly. Those representatives were the sons of the richest Julfan families. They incorporated the COMMENDA into the operation of family firms and greatly expanded the spheres of their economic activities. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 148 – 149).

The COMMENDA contract was a significant legal instrument that provided the Julfans with wealth. The unequal distribution of wealth between master and agents were suited to the family firms. Masters looked after the agents' families ruling out the improper keeping of accounts by agents who had all family relations in Julfa. The COMMENDA was able to enforce trust between agents and their principals. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 164 – 165)

Trust consists of placing valued outcomes at risk to others' malfeasance within certain interpersonal connections. Trust was essential in generating collective action among merchants conducting long-distance trade. Some scholars considered trust as taken for granted in a uniform ethno-religious community and never discussed it. The idea that Armenians trusted one another simply because they were Armenians is absurd. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 155).

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. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 156 – 158).

Many of Julfa's overseas settlements had their own version of the Assembly of Merchants. Documents have remained since the years 1682 – 1693 describing a case when the conflicting parties appealed to the Julfan community in Lhasa, the Tibetan capital. In the absence of a sufficient number of Julfan merchants, foreign merchants were invited. Similar procedures were followed in other settlements. These portable courts allowed to do away with the unreliable use of foreign courts. Sometimes the portable courts forwarded the disputes to the court in Julfa. The available documents show that the Julfan Assembly took efficient decisions and had sufficient and recognizable authority. In some cases appeals were made from the outpost settlements to the central authority in Julfa to specify some information on the reputation or integrity of some agents. The central authority in Julfa retained a huge mass of confidential information that could be shared with agents if needed to facilitate the administration of justice. Numerous documents attest to cooperation between the central authority of Julfa with the local judicial procedures at places of Armenian settlements. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 191 – 197).

The social capital and reputational mechanism in the Julfan network were reinforced by special methods of policing trust. The basic system of business was COMMENDA partnership that had built-in checks against malfeasance. The agent kept a detailed accounting ledger of his transactions. If the accounts turned out to be fraudulent, the agents could be imprisoned and flogged until he restituted his master. The behavior of travelling agents could be controlled by their families being used as hostages. If an agent absconded, the family could lose its honor and be held accountable. In order for an agent to engage in future trade, he had to obtain a letter of severance from his initial employer releasing him from his obligations. The principle of hiring agents exclusively from the Julfan coalition prevented the Julfan agents from engaging in cross-cultural trade. This feature turned out to be a flaw, since it prevented expansion into new markets. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 197 – 199).

Julfans transacted exclusively with fellow coalition members at high level of trust. They possessed semi-formal mechanisms of monitoring and sanctioning their

trading agents, which mechanisms were inefficient when dealing with outsiders. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 199 – 200).

After Nadir's departure from Isfahan in 1747, he sent a governor there who was very cruel and demanded money from the people all the time. There was a popular revolt in the city, and after the people heard the news of Nadir Shah's assassination the people seized the governor and executed him. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 209).

New Julfa never recovered from the blows of Nadir Shahs, after the irreversible collapse many wealthy families fled to the network's periphery. In the 18th c. New Julfa became poor and the population dwindled to 1667, and towards the late 18th c. the population was Muslim. The ruin of Julfa was apparent, the merchants wrote in letters to their relatives still remaining in Julfa, they they were never going to return. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 209 – 211).

The question remains, whether the Julfan merchant community was a *TRADE DIASPORA* or a *CIRCULATION SOCIETY*, i. e. a society with a circular relationship to a *NODAL CENTER* that shapes its network of dispersed colonies through the circulation of men, capital, information, priests, and women. However, some regional centers such as Madras or Venice and Smyrna possessed their own agency and were not passive recipients of decisions made at the center. They were able to survive the catastrophic failures but also to become alternative nodal centers of a regenerated network. It would be expedient to calculate, what proportion of the capital circulating in the network emanated from Julfa. Some elite families had left Julfa in the 1690s, but many remained until the 1740s, when Julfa collapsed under ruinous taxation. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 211 – 212). The Julfan network emerged in the town of Old Julfa due to the Iranian silk becoming an important global commodity and an increase of the purchasing power of European merchants through the inflow of New World silver into the Mediterranean. In the late 16th c. the merchants of Old Julfa created a trade network extending to Mediterranean ports and to South Asia. A trade network was established with four circuits around New Julfa as a nodal center. The most important of these circuits was the Indian Ocean opening the way to Mughal India and Southeast Asia, Canton, and Manila. Another circuit was Russia with settlements in Astrakhan, Moscow, and St. Petersburg, and still another – across the Baltic to Amsterdam and London, and finally the circuit in the Mediterranean basin. These circuits were connected through the continuous circulation of merchants and credit, commercial correspondence, women and priests. Some of the settlements were more important than others acting as regional centers to other satellite nodes.

(Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 216 – 217).

The mechanism of Julfan expansion was a partnership contract known as the *COMMENDA*. It was a partnership between a sedentary capitalist, residing in Julfa and providing the capital or goods and an agent supplying his labor by traveling to distant markets and putting the entrusted capital to use. The resulting profits would be divided as agreed. Business was done within a family, with the senior member of the family, and sons, brothers, and cousins operating in various parts of the network. In addition a Julfan family firm could employ from twenty to a hundred agents who were not family members. Julfans hired only fellow Julfan agents because they could control the behavior of their agents overseas by having access to their families. The master would look after the needs of the agent's family and subtract the money spent on the upkeep from the agent's share of the profits. Agents could not act on their own, but with a permission from the master they could hire other agents. Another control mechanism was reputation of the agents, including rumor and gossip that was spread by word of mouth and by letters. A broken reputation would mean that a stigmatized person would be ostracized and kept out of business. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 217 – 219). Lastly, the Julfans could enforce contracts with agents using a mercantile court known as the Assembly of merchants empowered by the Safavid state to adjudicate disputes and to enforce Julfan commercial law. If an agent's account ledgers were incorrect the agent could be imprisoned and flogged. This court could only deal with the Julfans. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, p. 219). Like the Julfans, the Multanis had family firms and *COMMENDA* agency. Information is not available, for no documents before the 19th c. have survived. Some documents remained in the Russian, Uzbeki, and British archives dating from the 19th c. Both the Julfans and the Sultani were organized on a patriarchal basis with the eldest male as director and junior members staffing branch offices in the distant settlements. The agents hired were all from Multan, and the masters took care of their families while they were away. Like the Julfans, the Multanies were carefully selected and trained before being sent on assignments. Their families remained under the masters' care, but in fact they were hostages, for through this means the masters could control the agents behavior, and if faulted, they reputation was ruined and they remained unaffiliated and uncapitalized. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 221 – 222).

For both the Julfans and the Multanis, the family firm and commenda partnership were the basic elements of long-distance trade because they allowed agents to travel abroad for long stretches of time and because they provided a mechanism for monitoring trust. That meant that agents had to be recruited from the nodal center.

Though both the Julfans and the Multanis used to hire only agents from their communities, there were situations when they employed agents from other companies. The Multani network was also different from the Julfans in the demographic base. It was incomparably larger than the Armenian network. While the population of Julfa had never exceeded 30 000, only the outpost settlements of the Multanis were in excess of 35 000. In Iran their number was around 20 000. Thus, their expansion was not curtailed by a shortage of manpower. As to Julfans, they would have declined all the same if Nadir Shah had not destroyed their center in 1747. Their preference for partnerships only with members of their community placed a demographic limit on their ability to expand. A larger population meant the possibility of expansion and longevity. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 222 – 224).

A striking parallel between the Multani and Julfan networks is their decline at the same time. In both cases the logic was the decline of empires. The Multanis had their golden age in the 17th – 18th cc. , then the Russian state introduced protectionist measures curtailing the prosperity of the Multani community. In Iran, too, the fall of the Safavids followed by the 1722 Afghan conquest of Isfahan had terrible consequences both for the Julfans and the Multanis. Mughal power disintegrated after the death of the last Mughal emperor, Aurangzeb, in 1707. In 1749, the Afghan monarch, Ahmad Shah Durrani, annexed Multan. The following continuous wars terminally damaged Multan's textile production. The leading capitalists relocated their operations to Shikarpur. The parallels between the Multanis and the Julfa are striking. The Julfans never recovered, while the Multanis relocated their base to the city of Shikarpur. (Sebouh David Aslanian, *From the INDIAN OCEAN to the MEDITERRANEAN, The Global Trade Networks of Armenian Merchants from New Julfa*, pp. 224 – 225).