

***Global Trading Ambitions in Diaspora: The Armenians and their Eurasian Silk Trade (1530-1750).***

“The Burg of Julfa is perhaps the largest in the World.<sup>1</sup>

Early Modern Europe’s enormous demand for silk was chiefly satisfied by imports of Iranian raw silk. In the long history of the Eurasian silk trade Iranian silk plays a major role during an interlude of a century and a half, from the late sixteenth century to the eighteenth century.<sup>2</sup> The Julfan Armenians, renowned silk traders since the sixteenth century were deported for their trade to Safavid Iran’s new capital of Isfahan in 1604. As a consequence of their presence the burg they were settled in became a center for international trade, and was visited by many prominent merchants from all over the world. Most of the raw silk spun in Europe in Early Modern times was produced on the Caspian shore and in regions that were in northwestern Iran. Much of this silk was transported to Europe by the Julfan Armenians during the first half of the seventeenth century. European consumption of silk was around 200,000 to 250,000 kilograms of mostly raw silk per year. Eighty-six percent of this silk came from Iran.<sup>3</sup> Most of this trade was in Armenian hands in the seventeenth century, the rest was carried to Europe by the English and Dutch East India Companies. The Eurasian silk trade of the Armenians brought much sought after silver bullion imports to Iran. This silver was essential to Iran’s early state building, some of it stayed within Iran and a part of it was imported to India. Although the

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<sup>1</sup>Jean Chardin, *Voyages du Chevalier Chardin, en Perse, et autres lieux de l’Orient. Enrichis de Figures en Taille-douce, qui représentent les Antiquités et les choses remarquables du País. Nouvelle Edition, augmentée du Couronnement de Soliman III. & d’un grand nombre de Passages tirés du Manuscrit de l’Auteur qui ne se trouvent point dans les Editions précédentes.* 4 volumes: Aux dépens de la Compagnie, Amsterdam 1735, volume II, p. 106. “Le Bourg de Julfa est peut-être le plus gros Bourg du Monde”

<sup>2</sup>Herzig, E “The Volume of Iranian Raw Silk Exports in the Safavid Period.” *Iranian Studies* 25 (1992), pp. 61-81.

<sup>3</sup> S. Faroqi, *An Economic and Social History of the Ottoman Empire*, Vol. II 1600-1914 (Cambridge, 1997), p. 503.

Armenians of Julfa had been silk traders prior to their move to New Julfa, Isfahan, it was only after their arrival in Iran in 1604 and under Safavid political protection that their international network was perfected. New Julfa became the hub of Iran's silk trade and the center of a vast commercial organization covering half the world, from Amsterdam in the west to the Philippines in the east, and from Archangels and Narva in the north to the coast of Coromandel in India, the Moluccas, and Siam in the south. Although the Armenians are often spoken of generically, a specific group was involved in the trade of silk and silver, an organized group of merchant families who ran this worldwide commercial network of Iranian silk exchanged for silver and European manufactured goods. In addition to silver bullion and gold the Julfans brought back English broadcloth, glasses, telescopes, clocks and other small but valuable objects for the Iranian and Indian markets.

Some common words in English are vestiges from the Iranian silk imports to Europe. The word seersucker comes from the Persian *shîr-u-shakar*, which means "cream and sugar" and denotes a thread color. The term *Chemise*, in French, is from the Persian Qamiz, the familiar pajamas from the Persian word for pants: Pahjameh. Many other terms relating to textiles and clothing came from the Persian into the European languages during this period because of Persian and Indian imports. European silk weaving, the brocades made in Venice, Genoa or Lucca, the much-prized silks of Lyon and the gold thread imported from the Levant all depended in great part on the raw silk exports from Iran to the Ottoman markets of Bursa, Aleppo and later Smyrna. From there on silk left for the European ports of Genoa, Livorno, Marseilles and later Amsterdam. In these Ottoman market towns, these European ports, as well as many other locations one would find the Julfan Armenian silk merchants, factors of sedentary wealthy bankers living in New Julfa. Because of their preexisting trading network special measures were taken to accommodate the silk merchants of Julfa once they were deported to the Iranian capital. They were part of the massive deportations from the Caucasus which became a policy under several of the Safavid shahs. Although they suffered the harshness of deportation, quite exceptionally

they did this move willingly. They seemed to have had some form of agreement with the Safavid monarchy dating to the previous reign.<sup>4</sup> About a decade and a half after Isfahan was chosen as the capital of Safavid Iran, in 1605 a wealthy new suburb was constructed by royal order south of the river for these deported merchants. No one else was allowed to reside in wealthy New Julfa, where they were allowed to practice their Christian religion within a shi'ite theocracy<sup>5</sup>. In 1619, fourteen years after they arrived, the shah granted this land exclusively to the prominent Armenian merchants, immediately after they won his silk auction and paid the high price he demanded for his monopolized silk.

When 'Abbâs I (r.1580-1629) decided to export most of Iran's silk to Europe, after his monopoly of 1619, the Iranian silk exports reached an unprecedented scale. The Safavid shah entered the world of modern trade by exporting through the cooperation of an organized group of established silk traders who were previously under Ottoman rule, now living in his capital. The Julfan Armenians had been silk merchants long before their exile to Isfahan from their home town of Julfa on the Araxes, and in Iran they put their experience and network to good use. They had been trading with Europe on the Ottoman markets since a very long time and their presence was very important in Bursa the main silk market in the sixteenth century. <sup>6</sup>This silk trading network, once in Iran brought Safavid Iran enormous revenue, nearly all the silver bullion for its mints came from the silk trade. Most of the silver cash and the hoarded gold in Iran was imported by the Armenians against their silk exports.<sup>7</sup>

In the Mediterranean, the Venetian and the Genoese continued to be the major traders of Asian goods to Europe well into the sixteenth century. The end of the century,

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<sup>4</sup>Baghdiantz McCabe, Ina *The Shah's Silk for Europe's Silver: The Eurasian Trade of the Julfan Armenians in Safavid Iran and India (1530-1750)*. University of Pennsylvania Press: Atlanta [1999].

<sup>5</sup>In 1647 this changed and other Armenians were made to leave Isfahan and live there. They were artisans and came from a different region and a different class. This was a gesture to end the favored status of New Julfans and create an Armenian ghetto. See Baghdiantz McCabe, (1999), chapter 6.

<sup>6</sup>Bruce Masters, "Merchant Diasporas and Trading 'Nation'", chapter three in *The Origins of Western Economic Dominance in the Middle East*, New York University Press: New York, 1988.

<sup>7</sup>Ina Baghdiantz McCabe "Silk and Silver: The Trade and Organization of New Julfa at the End of the Seventeenth Century" *Revue des Etudes Arméniennes*. n. s. 25 (1994- 1995) 245-272.

however, marks the decline of their participation in the Levant trade, and the rise of the Armenians and the Jews on the Ottoman markets,

Fernand Braudel was the first to notice this change as he wrote:

“The Jews are soon in competition with the Armenians, who in the seventeenth century, charter ships to Europe, go there themselves and become the brokers for Shah Abbas’ economic expansion. Such are the successors in the Levant of the rich bourgeoisie of Italian merchants, once masters of the entire Mediterranean.”<sup>8</sup>

The demise of the Italians also meant the rise of French merchants in the Levant, specifically the Provençaux who would enter the silver trade. They were the main competitors the New Julfans. The global network of the Julfans had an administrative and financial center in New Julfa, where commercial litigation taking place as far as in Amsterdam and Tibet were judged and settled. The immense success the New Julfans had achieved has been noted but poorly explained. Thrift, ethnic solidarity and even Christianity, believe it or not, have been invoked to explain their success, but their role within Iran has not been carefully examined. Another neglected aspect has been silk production. It has never been noticed that the whole cycle of silk production distribution sales and export was tied to the new deportees from the Caucasus. Within Iran, other groups of less fortunate recently deported Armenians and Georgians were involved in the production of silk before it came on the market, from the cultivation of mulberry trees to the many steps involved in producing silk from silkworm cocoons. The deportations from the Caucasus were the cornerstone of planned Safavid political economy centered on silk, the most important export. Within Safavid political economy the deported Armenians were

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<sup>8</sup> Fernand Braudel *La Méditerranée et le monde méditerranéen à l'époque de Philippe II*. First ed., 1949; reprint, Paris, 1987.(1987), vol. 2, p. 70.

Les Juifs sont d'ailleurs bientôt concurrencés par les Arméniens qui, au XVIIe siècle fréteront des navires pour l'Occident, s'y rendront eux-mêmes et deviendront les courtiers de l'expansion de Shah Abbas. Tels sont dans le Levant les successeurs de la riche bourgeoisie des marchands italiens, un temps maîtres de la Méditerranée entière.

crucial at every level from production to distribution, to export.<sup>9</sup> The sale and storage of silk was controlled by royal factors who were also deportees and converts to Islam, they were *ghulams*, or slaves of the shah as the Caucasian converts to Islam in the palace of the shah were called. The usage of the term slave should not be understood in its common usage for plantation slavery, this is in the Islamic tradition of military and household slavery where slaves can be Grand Viziers, generals and officers of the highest rank. It is a system best known through the Ottoman and Mamluk models, but with precedents in Baghdad under the caliphs. These royal slaves constituted the Royal Household, a governing body which would take on great importance under Shah Abbas.<sup>10</sup> The following paper argues for the exceptional role of the New Julfan “trade diaspora” in Iran. In doing so it also reexamines some of the accepted definitions given by scholars to trading groups of outsiders. I have argued in my book that the Christian Julfan merchants were integrated into the Safavid palace system, within the Royal household. It is unquestionable that they did at least for a few decades as this is found formally stated in Safavid royal edicts. This makes them insiders to local political life, which contradicts the views we hold about trade diaspora as outsiders.

It has been correctly assumed, save in one article by Subrahmanyam on the Iranians in exile and in my own book on the Julfan Armenians, which both point to two exceptions, that trade diaspora do not participate in the political life of their host country or directly in state-building in Asia. Even when highly successful as financiers and brokers trade diaspora remained, according to current definitions, outside the local political elite. They served as a power base of outsiders, beneficial to one monarch or a dynasty against other internal forces of political competition. The most comparative, comprehensive and broad study of this phenomenon to date is Daniel Chirot’s and Anthony Reid’s: *Minorities*

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<sup>9</sup> This is argued throughout in Baghdiantz McCabe (1999).

<sup>10</sup> Previously it had not been noticed that Iran too had resorted to this system of household slavery, and even less was it believed that they had a political force of their own. Traditionalist scholars still oppose these new findings, despite the fact that Safavid sources amply document all this.

have played a crucial role in the development of trade, money management and capital accumulation everywhere, except in Eastern Asia. They were needed by kings and magnates who found them less threatening than their own subordinate populations.<sup>11</sup> Direct participation in the political life of the host country, or inclusion in a political elite, however, is not the same as the financing of a state or a potentate. Becoming a king's merchants, or court merchants falls under this form of financing. Some Armenian merchants have been given peerage and titles of nobility in their host society, as was the case in Poland and Russia. Even with access to court they have not been included in the political elite. Often the Armenians of Julfa have also been seen as the "shah's merchants", simply court merchants. It will be argued here that the case for the Julfan Armenians was exceptional among the rest of the Armenians diaspora. Perhaps their case best illustrates the necessity of avoiding the study of diaspora as a unit. Lastly I will discuss the fact that his group was made part of the royal household and was integrated within the palace government only for about four decades. Later, after 1646, this was most probably no longer true. This should illustrate quite clearly why even within sub-groups, political and financial situations fluctuate making it necessary to avoid generalizations even for such a small group. First let's examine what has been held in general about the Armenian trade diaspora, although the term needs to be qualified as well.

Trade historians have come up with the notion of "trade settlement" or "trade diaspora", although now the word network is much preferred. The term "trade diaspora" was first coined in 1971, by Abner Cohen to refer to "a nation of socially interdependent, but spatially dispersed communities." Even as he defined it, he was criticized for his usage of the word diaspora instead of the more neutral term network. He argues that the usage of the term stands:

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<sup>11</sup> Anthony Reid "Entrepreneurial Minorities Nationalism and the State." in *Essential Outsiders: Chinese and Jews in the Modern Transformation of Southeast Asia and central Europe*. Edited by Daniel Chirot and Anthony Reid. University of Washington Press, 1997, pp.333-75.

“ A diaspora of this kind is distinct as a type of social grouping in its culture and structure. Its members are culturally distinct from both their society of origin and from the society among which they live. Its organization combines stability of structure but allows a high degree of mobility of personnel... It has an informal political organization of its own....It tends to be autonomous in its judicial organization....Its members form a moral community. ”<sup>12</sup>

The term trade diaspora appears applicable to many groups. It certainly applies to New Julfa, which had judicial autonomy, a formal ( not informal) political organization of its own, it was a distinctive social grouping, so much so that other Armenians were not included in its network. Its stable structure that allowed high mobility. There was a moral community, so much so, that a written code was later laid down in Astrakhan to codify its customs and laws. Its members were culturally distinct from the Persians, and they were forcibly culturally distinct from their origin in the Caucasus where nothing much subsisted except for the burnt lands and the destroyed towns that had been a theater of war and massive deportations. Shah Abbas wanted to transport the mother see of the Armenian Apostolic Church itself, stone by stone to Isfahan, Iran and make his capital the religious capital for all Armenians. He failed in this venture, as this greatly disgrunteled the New Julfans, and the continuity of the Holy See in historic Armenia is the only element that does not make the Julfans culturally distinct from their land of origin, where despite Abbas' best efforts there remained some continuity. Abbas' religious tolerance and his very active protection of the Armenian Apostolic Church, notably against catholic missionaries, permits a tie with the land of origin, at least for the Christian merchants. For the *ghulams*, or converts to Islam this tie is purposefully severed as well.

This definition of trade diaspora could equally apply to the East India Company factors, such as the English in India and the Dutch in Southeast Asia. Yet, interestingly, the term trade diaspora has been only exceptionally used for European factors. Therefore the question arises as to why the usage has been reserved by most scholars, with a few exceptions, for other trading groups and not for European factors. The Europeans unless

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<sup>12</sup>Abner Cohen, “Cultural Strategies in the Organization of Trading Diaspora”, in *L'Evolution du Commerce en Afrique de L'Ouest*, Claude Mesailhous, (ed.) Oxford, 1971, pp.266-281.

they settled and went through a form of “nativization” could not, one supposes, be seen as a group distinct from their society of origin. In the past ten years, much has been written about the usage, the meaning and the implications of the concept of diaspora.<sup>13</sup> The criticism against Abner Cohen was that the term was a historically specific one.<sup>14</sup> The term diaspora first found in the Greek translation of the Bible, was once exclusively reserved for the Jews. It implied a forcible scattering as it is described in Deuteronomy (28:25). As Robin Cohen argues that the old testament also carried the message that “scattering to other land” constituted punishment, for breaking with tradition.<sup>15</sup> Soon it was applied to two more groups, the three classical Diaspora being the Jewish, the Armenian and the Greek. Today the term is used for nearly thirty different groups<sup>16</sup>. The Armenians are considered a classical diaspora.<sup>17</sup>

Philip Curtin has clarified the definition further still. In a world-wide study of cross-cultural trade, he argues for a clear dichotomy between host societies and outside trading groups: “The traders were specialists in a single kind of economic enterprise, whereas the host society was a whole society, with many occupations, class stratification and political divisions between the rulers and the ruled.” Curtin, who first started the debate, makes clear with other passages that he sees trade diaspora as exempt from

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<sup>13</sup>Some of the best articles on the subject have been gathered in a hefty tome edited by Robin Cohen and Steven Vertovec. The volume has the advantage of gathering articles written in English on both sides of the Atlantic: *Migration Diasporas and Transnationalism, The International Library of Studies on Migration*, 9. Cheltenham, UK, 1999. Will be subsequently referred to as *MDT*.

It contains many articles from the main scholarly journal devoted to the subject: *Diaspora a Journal of Transnational Studies*, Khachig Tölöyan, editor. The journal explores many theoretical approaches to the subject and is multidisciplinary. Its contents clearly demonstrate that the term Diaspora is now applied to near thirty groups.

<sup>14</sup>Abner Cohen adds a footnote making it clear that he was criticized during the conference of 1969, published in 1971 see footnote 2 on page 267.

<sup>15</sup>Robin Cohen, *MDT*, p.267.

<sup>16</sup>See *DMT* and *Diaspora*.

<sup>17</sup>The debate as to when the Armenians start being entirely in diaspora without a homeland has no place here, but the artificial date traditionally used by Armenian historiography has been the fall of the Crusading Kingdom of Cilicia in 1375. This small and fleeting kingdom, away from the lands of historic Armenia, was certainly not home to most of the Armenians. Another favorite date is 1071 the Seljuk invasion of historic Armenia, but the same holds true for this date as many Armenians already lived out of historic Armenia even by this date, for example many has left for Rome, Constantinople, and Egypt well before that.

political participation in their host societies.<sup>18</sup> He uses the term trade network and trade diaspora interchangeably and argues that these groups were only cross-cultural brokers helping to encourage trade between the host society and their own. In his discussion of trade networks he includes the European militarized diaspora within the same category as the Armenians, the Banians, and the Fukein Chinese. Based on the secondary scholarship available to him, Philip Curtin has argued that the Armenian trading diaspora was a self-contained and self-regulating body, a commercial organization divorced from political participation in state formation.<sup>19</sup>

The fact that the Armenians are perceived as a classical diaspora has played a significant role in enforcing this view about their political non-participation. Even the best critic of this binary model conceived by Curtin, Sanjay Subrahmanyam still follows this pattern for the Armenians, although he is studying the way exiled Iranians participated in state-building, and demonstrates how this contradicts the usual model for trade diaspora. Like Curtin he has had to rely on the usual secondary sources written about the Armenians, where the Julfan Armenian are always seen as a service bourgeoisie, as court merchants. In his innovative study on the contribution of the Iranian merchant elite to the early state formation in Golconda, the Deccan and Thailand Sanjay Subrahmanyam uses the Armenian case as a classical diaspora to conclude that he cannot make a model of what he finds for Iranian merchants abroad : “ that this does not mean either that the ‘ Iranian model’ can be used as paradigmatic, or that it is one that does away entirely with the concept of diaspora community. Clearly the functioning of the Armenian community--significantly also the one chosen by Curtin to illustrate his theory--does correspond far more closely to the self regulated body, largely divorced from the world of politics...”<sup>20</sup> Nevertheless, despite his hesitation to include the Armenians, a diaspora community, in the

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<sup>18</sup>Philip Curtin, *Cross Cultural Trade in World History*, Cambridge, Cambridge University Press, 1984. Quotation from page 5.

<sup>19</sup>Philip Curtin, Chapter 9, pp.179-207.

<sup>20</sup>Sanjay Subrahmanyam “Iranians abroad: Intra Asian Elite Migration and Early Modern State Formation.”, *The Journal of Asian Studies*, Volume LI no.2 ,1992, pp.340-363. Quotation from p. 359.

model he finds for the Iranians, Subrahmanyam notices that an Asian trade diaspora, specifically the Iranians, politically and not simply financially participated in state-building in their host societies.

Very little work has been done on Iranian merchants, leaving the false impression that they were not important. There existed no equivalent class to the European urban bourgeoisie in Iran until the twentieth century, yet Iran had many merchants, many of whom were prominent in the silk trade in the sixteenth century.<sup>21</sup> Most importantly perhaps, the merchants and the aristocrats were not two different groups, but one. The richest merchants were also the richest landowners;<sup>22</sup> there was no social stigma associated with trade. They traded in gems or silk, wool or cotton with their surplus capital. There was no class equivalent to the European bourgeoisie in Iran save, of course, in the eyes of many scholars the exceptional case of the Armenians forced to settle there in the seventeenth century. They did seem to become a real bourgeoisie, living in a “burg”<sup>23</sup> and appeared as outsiders distinct from the power network from the local land-owning nobility. Many Iranian and Azeri merchants were prominent in the silk trade before the Armenians arrived in the capital.

Most of the wealthy Iranian merchants were often feudal lords, whose power was a threat to the Safavids as demonstrated by a ten year war of succession; after 1590, the shah, wary of feudal opposition and rivalries, relied on a new power base which had no ties to the Iranian lords. This was made of a large group of deportees from the Caucasus, not only the Christian merchants of Julfa, but converted royal slaves who would reach the highest ranks in the Safavid power structure. No official political links within the Safavid power structure were evident between these two groups before the reading of three

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<sup>21</sup> Ahmad Ashraf, “Historical Obstacles to the Formation of a Bourgeoisie in Iran,” in *Studies in the Economic History of the Middle East*, ed. M. A. Cook, pp. 308-333.

<sup>22</sup> Jean Aubin, “La propriété foncière en Azerbaydjan,” *Le Monde Iranien et L’Islam: Sociétés et Cultures*, 4 (1976-1977), pp. 79-132.

<sup>23</sup>On the burg system in Asian trade see C.A. Bayly *Townsmen and Bazaars North Indian Society in the Age of British Expansion*. Cambridge, 1983.

neglected Safavid royal edicts. These edicts, translated and published for the first time in, *The Shah's Silk for Europe's Silver*, demonstrate the direct participation of the Christian New Julfan elite in the Safavid administration and their elevated political rank--one on par with their economic power. The leading families of New Julfa were in fact one of the pillars on which the organization of the Safavid Royal Household (*khâßba-yi sharifa*) rested. Their financial contribution was essential in more ways than one to shaping the history of Iran in the first half of the seventeenth century. The Royal Household relied heavily on the deportees of the Caucasus, some of them were even converted Julfan Armenians.<sup>24</sup> The mechanism of this political role is explore elsewhere.<sup>25</sup> where one of the major arguments is their contribution to Iran's centralization and state-building in the first half of the seventeenth century. They contributed both as administrators and as financiers. The New Julfan leader, Khwâja Nazar, was the *shâh*'s banker and ran the Armenian organization of the silk trade by delivering its proceeds as fees for several administrators. The Royal household itself had a Julfan as an administrator for a certain period of time.

It is interesting to note that at this time many prominent Iranian merchants were leaving Iran to emigrate to India. Sanjay Subrahmanyam argues that many of the Iranian merchants left for India in the seventeenth century as they considered it a land of opportunity. He hypothesizes that the success of the Armenian merchants might have been responsible for the massive of Iranians to India.<sup>26</sup> This hypothesis is essentially correct, but the reason for migration is a political one, it is the shah's centralization of power and monopoly of silk, and not the Armenians that are responsible for this massive migration. A major Armenian family from New Julfa also leaves for India after losing its bid for power.<sup>27</sup> The Safavid monarch's monopolization of the silk trade in 1617-1619, the control

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<sup>24</sup>Annex in Ina Baghdiantz McCabe (1999) and Chapter five.

<sup>25</sup> Ina Baghdiantz McCabe (1999) chapter 4 and 5 and Annexes. Several Safavid edicts in the Appendix of the book are translated to demonstrate this.

<sup>26</sup>Sanjay Subrahmanyam "Iranians abroad: Intra Asian Elite Migration and Early Modern State Formation.", *The Journal of Asian Studies*, Volume LI no.2 ,1992, pp.340-363.

<sup>27</sup>Baghdiantz McCabe (1999) chapter 3.

of silk sales by *ghulams* and his integration of the Armenian merchants within the palace system was probably also a major reason why opportunities declined for local merchants in Iran. Any one buying silk between 1619 and 1629 had to pay the taxes imposed by the shah and direct sales avoiding this were strictly forbidden. Merchants were therefore cut off and forbidden to buy directly as they had done before. Silk was now a royal monopoly controlled by *ghulams*. The revenues of silk were centrally collected under the responsibility of the head of the Julfan community, much of it went to the salaries of the army and the administration.<sup>28</sup> Before the war of 1580-90 the army was provided by the *amirs*, or feudal lords, and the Safavids were dependent on them. After 1590 a paid army of Caucasian converts commanded by generals of Georgian and Armenian origin won the Safavid wars against the Ottomans, the *amirs* provided no men. They were paid in cash as professional soldiers although they were not paid individually but through the head of their regiment, who took a commission when he went to secure their pay at the mint. The Caucasian administrator of the royal household, were also paid also salaries through a centralized mint system. As we have discussed elsewhere and as is clear in an administrative manual discussing salaries, much of the cash was brought in by the Armenian silk trade. There is indirect but clear financing of the administration and the army by the New Julfans via the mints and a communality of interest with the Caucasian administration. This system prevailed and after the shah's death in 1629, dominated the court making the royal household powerful for near half a century.<sup>29</sup>

In 1943, Minorsky perceived the New Julfans as a middle class, a service bourgeoisie, many have followed suit. My own emendation to this analysis that has long prevailed, is that only part of this group can be viewed as a middle class. The elite had many factors that could be called a bourgeoisie, in so far as they had the right to reside in a

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<sup>28</sup>Baghdiantz McCabe (1999) chapter 5.

<sup>29</sup> See Baghdiantz McCabe for a demonstration of this mutual dependence. Also explored in the forthcoming: *Slaves of the Shah; New Elites of Isfahan.*, Sussan Babaie, Kathryn Babayan, Ina Baghdiantz McCabe, Massumeh Farhad Tauris (forthcoming).

burg and had civil rights that gave them the right to their own town's civil court, as much and as well as any European bourgeois. You cannot view all of the New Julfans as a middle-class bourgeoisie. They were not strictly middle class, not simply because of the immense fortunes they amassed but especially because of the inclusion of their elite in the royal *khâßba*, (royal household). This made their elite a *de facto* part of part of the royal administrative system as is clearly spelled out in these royal edicts. They clearly are part of the inner palace. As we will see further, the provost's titles cause further doubt as to the elite families of Julfa being a bourgeoisie.

The heads of the New Julfan community functioned as bankers, but this isn't enough to make them exceptions to rules applicable to other trading diaspora. This is a common feature of classical trading diaspora. It is rather their formal status accorded by the shah, which gave them an administrative role within the government. Their inclusion in the Royal household, and their association with the converted Caucasian deportees called *ghulams*, or royal slaves, opens a window that helps explore the structure of the previously neglected Safavid household and its centrality to Iran's political economy. This new finding places Safavid Iran within the same household system of government that may be found in the Ottoman Empire, where there were household and military slaves in the highest administrative posts. Perhaps the best known case of a powerful household is the Mamluk case, Iran, however, has never been seen as having had a household<sup>30</sup>. Many Armenians both as Christians and as converted *ghulams*, rose high in the political world of Safavid Iran, some even attained the post of Grand Vizier, all were part of this royal household<sup>31</sup>. Their integration into the Safavid Household despite their Christianity, made them the financial wing of the Royal Household. From the mid-sixteenth century on, increasingly this was becoming a household of administrators who were converted

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<sup>30</sup>See *Slaves of the Shah: New Elites of Seventeenth Century Safavid Isfahan*. I. B. Tauris, London. (Forthcoming).

<sup>31</sup> Ina Baghdiantz McCabe (1999) chapter 5.

Caucasian royal slaves<sup>32</sup>. It was never suspected that there could be a link between the Christian merchants, perceived as a foreign “trade diaspora” by scholars, and the converted Caucasian administrators.

Beyond their political integration within the household there is an exceptional structure to their own merchant organization.<sup>33</sup> More importantly, they had an autonomous city-state within the Safavid realm. To the best of our knowledge today, there were no Armenian merchant city-states formed in the Ottoman Empire and the Armenian merchants of Constantinople or Aleppo did not form a governing body that exercised autonomous political power. New Julfa in Iran was a unique case of an Armenian city-state. Except for New Julfa in Iran, whose autonomous organization I have compared to that of the far more famous Italian city states, I know of no others in Iran or the Ottoman Empire where many Armenians traded.<sup>34</sup> In my analysis, the city-state of New Julfa, became possible because of a unique political role played by the Armenian elite in seventeenth century Iran, both Christian and converted, which I have studied in great detail elsewhere<sup>35</sup>. The members of the Royal household were a power base for the shah and the New Julfans were part of it. The suburb was built on royal orders and given to them as a royal gift in 1619, as a franchise.

Their merchant organization was part of the organization of the *khassa* or royal household, through their provost.. The New Julfan case was quite different from the Lvov Armenian merchants in Poland who had political autonomy, but were not integrated into the structures of local power, never ran a quasi “city state”. The Provost of New Julfa, Nazar, is called a shah in Safavid Royal edicts, a title bestowed on him by the Safavids in an edict that perhaps reflected his Armenian title. His successor has the Armenian title of

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<sup>32</sup>Kathryn Babayan, “The waning of the Qizilbash: The spiritual and the temporal in seventeenth century Iran”, unpublished dissertation, Princeton University, 1993.

<sup>33</sup>Ibid. chapters 3 and 7.

<sup>34</sup>Baghdiantz, Ina. “The Merchants of New Julfa: Some Aspects of their International Trade in the late Seventeenth Century.” Ph.D Diss., Columbia University, 1993.

<sup>35</sup>Baghdiantz McCabe, Ina.(1999).

king inscribed on his tomb stone. The same family ruled Julfa and New Julfa and the provost had been appointed in the same family line, he bore the title of *kalantar* and as such was appointed by the shah.. While I have found that the New Julfan Provost did have a princely title in Armenian,<sup>36</sup> and this might be a recognition of their title by the Safavids, a passage in Claude Markovits makes me think of another possibility.<sup>37</sup> He speaks of the the *commenda* being called a *shah-gumasthas* contract in the British period for the Sindhi network of Shikarpur. The *shah* is the sedentary capitalist financing the mobile *gumasthas*, That this capitalist and associated traveling factor system was also the New Julfan system leaves no doubt, but Markovits cannot establish earlier usage of the term even for the Sindhi group. Extending it artificially to Iran is equally if not more problematic. That they were sedentary financiers and had factors all over the globe may not be enough of an analogy to explain the title; there were many similar groups<sup>38</sup>. Furthermore the title of shah for the provost is found in a royal edict and not a commercial contract as in the case of the Sindhi merchants.

New Julfa was an extremely wealthy suburb which many European merchants describe, Jean Chardin wrote: “There are three thousand four or five hundred houses in Julfa, the most beautiful are along the water, and there are some that are very richly gilded in gold and blue and that could be called palaces.” He goes on to describe that Abbas I and his successor both dined and stayed there, as they much favored the Armenians and that certain merchants had a worth of over two million livres.<sup>39</sup> Other descriptions,

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<sup>36</sup>“An Armenian King in Exile? New Julfa’s Shah through a Persian Edict and an Armenian Bible.” *Revue des Etudes Arméniennes*. n. s. 27(forthcoming)

<sup>37</sup>Claude Markovits *The Global World of Indian Merchants 1750-1947* Cambridge University Press, 2000, p159. The Persian world was one familiar to the Sindhi network, and the vocabulary itself is persianate as discussed by Markovits but the Shah-gumastha terminology he discusses is nineteenth century, two centuries later.

<sup>38</sup>On merchants living in burghs see C.A. Bayly *Rulers Townsmen and Bazaars North Indian Society in the Age of British Expansion*. Cambridge, 1983.

<sup>39</sup> Jean Chardin *Voyages du Chevalier Chardin, en Perse, et autres lieux de l’Orient. Enrichis de Figures en Taille-douce, qui représentent les Antiquités et les choses remarquables du País. Nouvelle édition, augmentée du Couronnement de Soliman III. & d’un grand nombre de Passages tirés du Manuscrit de l’Auteur qui ne se trouvent point dans les Editions précédentes*. 4 vols. Amsterdam: Aux dépens de la Compagnie, 1735, Volume II, page 107.

notably by Jean Baptiste Tavernier, are more precise describing the shahs dining in the house of the provost, head of the suburb. One should note that in a highly hierarchical society, kings did not displace themselves for mere court merchants, let alone dine in their house. The inclusion of the New Julfans within the palace itself is the only possible explanation for this behavior, especially since Christians were considered *najas* (unclean), and one did not ordinarily dine with them. It is even more striking as an exception and an honor, as one reads that within the palace the shah ate at a table alone and did not share it with his courtiers, although occasionally he ate with important guest.<sup>40</sup>

Gabriel de Chinon, a French missionary remarked that after the Persian King's palace the most sumptuous house is that of the wealthiest Armenian merchant, who was also their administrative ruler. He held the Persian title of *Kal@ntar*, often translated as Provost by the Europeans, and was in close contact with the Shah who was his guest on a regular basis.<sup>41</sup> he wrote that although he was the head of all Julfan merchants, and therefore their Provost, the post of *Kal@ntar* extended his role beyond merchant affairs, into the Persian administrative hierarchy. Chinon's observation is now confirmed as art historical research is establishing the similarity between the best Armenian houses and the Safavid palaces.<sup>42</sup> He also clearly stated: "The King gave the government of this small Republic to Coaga Safar, Armenian; afterwards to his brother who was called Coaga Nazar, father of the one who is governing them at present."<sup>43</sup> Gabriel de Chinon refers to New Julfa as a small republic.<sup>44</sup> Both men referred to in his analysis belong to the Íafraz family.

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<sup>40</sup>Ibid., Volume III,p.373.

<sup>41</sup>Gabriel de Chinon, *Relations nouvelles du Levant; ou Traités de la religion, du gouvernements, et des coutumes des Perses, des Arméniens et des Gaures* (Paris, 1671), 254.

<sup>42</sup>Work is being completed on this by Sussan Babaie, and will be publish in *Slaves oft he Shah* .

<sup>43</sup> "Le Roi donna le gouvernement de cette petite République, à Coaga Safar, Arménien; ensuite à son frère qui s'appelait Coaga Nazar, père de celui qui les gouverne à présent." Gabriel de Chinon, *Relations nouvelles du Levant; ou Traités de la religion, du gouvernements, et des coutumes des Perses, des Arméniens et des Gaures* (Paris, 1671), 254. Also cited in Carswell (1968), p. 78.

<sup>44</sup> The administration and organization of New Julfa have been recently been the object of a detailed and serious study published former Soviet Armenia: Í. L. Xa~ikyan, Nor Óu~ayi hay vaDa@akanu†yunâ ev nra arevtratntesakan kaperâ @usastani het XVII ev XVIII darerum [The Merchants of New Julfa and their commercial ties with Russia in the XVIIth and XVIIIth centuries] (Erevan, 1988). Over sixty pages of this study concern the organization and administration of New Julfa, based on some sources unavailable outside Armenia, but mainly on Tër Yovhaean© (1980), which is also the source used here.

They were the brother and the grandson of Khwâja Xa≈ig, who was at their head in Julfa in historic Armenia. He was the leader of the town of old Julfa, who had formally received and accepted Shâh ‘Abbâs’ offer to move to Isfahan, and handed him the key to the town of Julfa as homage. An analysis of the suburb’s administrative structure establishes that New Julfa was a quasi-autonomous republic and that it was a republic governed by merchants who had a ruling dynasty as their leader. Furthermore several sources suggest a royal title for the provost. This is not altogether impossible, although long in diaspora the Armenians could not have entirely forgotten social hierarchies, their princely families their *naxarars*<sup>45</sup> and their rulers. A group of princely families, baring titles survived under Persian protection into the seventeenth century as Robert Hewsen has demonstrated for some regions.<sup>46</sup> To ascertain that they actually had a true princely origin would mean to undertake the arduous and near impossible task of tracing the Safraz family. It is also a distinct possibility these titles were not acquired in the process of their move.

The New Julfan Armenians in Iran as members of the Royal Household were in competition with the English East India Company and the VOC for the Iranian silk exports. The importance of Iranian silk on the world market had brought the companies to Iran. The latter gained a minimal share in the trade, they were outsiders. The unusual success of the Julfans in Iran has been explained by platitudes and prejudices such as their Christianity, their hard work, and even by their avarice, or that elusive factor “trust” among ethnic groups. They were insiders in the Safavid palace system, however, as their clear participation in Safavid Iran’s political economy is perhaps the clearest and more plausible factor in their immense success. One cannot simply call them merchant or bankers of the shah as in classical trade diaspora as there was a vast this administrative system to which they belonged, the household, and which functioned as the political heart of the palace. Sometimes this administration was the service other shah, sometimes it overshadowed him

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<sup>45</sup>Name given in Armenian to feudal lords of high rank.

<sup>46</sup> See Robert Hewsen’s chapter in *Histoire des Arméniens*. Paris, 1982.

as is the case after 1629 in Iran. The fallacious notion that there are no Safavid sources on economy persists in some works, because it has long been held that they did not exist<sup>47</sup>.

Only Safavid sources can define the role of the Julfans in Iran. European archives and the travelers who visited Iran do not see the inner workings of the court. Some, however, see the special role of the Armenians at court, without being able to qualify it within the system. In his letters, Pietro Della Valle summarizes the accurate role of the New Julfans in a nutshell. He wrote:

*“[Gli Armeni] sono in somma al Re di Persia appunto come I Genovesi al Re di Spagna, che né essi posson vivere senza il Re, né Re senza loro.”* [“They are to the king of Persia like the Genoese are to the King of Spain, neither can they live without the king, nor the King live without them”]<sup>48</sup>

That the Genoese were the bankers of the King of Spain is common knowledge<sup>49</sup> but that the New Julfan Armenians were the financiers or bankers of the Shahs has remained unnoticed because scholars have been concentrating on their role as silk exporters to Europe, and not as silver importers to Iran and the Safavid sources have been neglected. Most of the travelers wrote after mid-century and when according to my analysis the Armenians were no longer were part of the government<sup>50</sup> no one could have observed their role. Pietro Della Valle was one of the rare ones to be present in Isfahan in the second decade of the seventeenth century, under the reign of ‘Abbâs’I. Shâh ‘Abbâs’(r.1588-1629) had aims of centralization and control of his domain against feudal forces. Harnessing the enormous cash flow from the silk trade and taxation on silk and on the Armenian population was one of his chief means to that end as was the advancement of outsiders like the Armenian, Georgian, Azeri and Kurdish *ghulâms* in the ranks of the army and the

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<sup>47</sup>Rudolph Matthee *The Politics of Trade in Safavid Iran : Silk for Silver, 1600-1730* (Cambridge Studies in Islamic Civilization), Cambridge, 2000. for the Armenians relies on the conclusions of Edmund Herzig “The Armenian Merchants of New Julfa, Isfahan: A study in Pre-modern Asian trade.” Ph.D. dissertation Oxford University, 1991.

<sup>48</sup> *Pietro Della Valle il Pellegrino...La Persia...*, parte II/vol.II, (Roma,1658.), Lettera 14.

<sup>49</sup> Braudel, F. *La Méditerranée et le monde méditerranéen à l'époque de Philippe II*. Paris: Armand Colin,1949. Is still one of the best sources for this.

<sup>50</sup> Ina Baghdiantz McCabe (1999)Chapter 6.

administration. Their integration into the royal household made them insiders to the place, and one of the pillars on which the shah's power could rest.

The Armenians were both “outsiders” like many other bankers to monarchs throughout history, and as their inclusion in the government elite shows, and insiders within the political system. I have demonstrated elsewhere that the Julfan Armenians, although not always successful, hoped for cash in their transactions with the Europeans.<sup>51</sup> There is also indisputable proof in the unpublished Safavid royal edicts that the Julfan Armenians had a centralized system for gathering the gold and silver from their silk revenues under their head merchant or provost who was also the of New Julfa's appointed *kalântar*. An edict with the seal of Shâh <sup>TM</sup>afî , shah Abbas' successor in 1629, demonstrates this, and much more. It asserts that: Since, it had been established in accordance with the decree of Shah Abbas I, that Shah Khwâja Nazar of Julfa, having collected all the gold and silver the Julfans bring into the country it should be deposited in the Royal Household and that it should be counted as the dues of the [*sarkâr-i khâßba-yi sharîfa*] Administrator of the Royal Household. This administrator is named as Khwajeh Sandal Moreover, it is written in the decree that this administrator too is a member of the Julfan community.

This edict constitutes direct proof of the deposit within the *khâßba* , or royal household, of cash brought in by the Armenian silk trade from abroad, it also demonstrates that the *khâßba*'s financier was Khwâja Nazar of head of New Julfa, and that administrator of the *khâßba*, Khwâja Sandal was also a Julfan or New Julfan. It is also evidence of a centralized system of trade under the direction of one man, Khwâja Nazar, who was responsible for gathering the cash revenues of silk. Furthermore it demonstrates that this system was within the court itself even though it was controlled by Christian Armenians. A royal visit for dinner has clear incentives and motivations as one realizes that the Armenian *kalântar* was

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<sup>51</sup> Baghdiantz McCabe, I. “Silk and Silver: The Trade and Organization of New Julfa at the End of the Seventeenth Century.” *REArm.* 25 (1994-1995) 389-419.

the shah's banker, and that he financed the salaries of administrators and army men.. The supreme affection the Shah shows the New Julfans seems unsurprising once one reads the *farmäns*. If there were any doubt of the Armenians belonging to the elite of the *khâßba* after the first edict discussed here the fact that two of its most important roles, financing and administration were in the hands of the New Julfans should put these doubts to rest.

Beyond the direct revenues reaped from the Armenian community through the traffic of silk, the taxation on New Julfa also went directly into the palace or Royal Household. Some went directly to the *Äaram* because New Julfa, had its taxation revenues assigned to the Queen Mother<sup>52</sup>. Chardin writes that it was assigned as a "taxe de la Chaussure" or footwear taxation. <sup>53</sup> Much later in the text he writes that this is an old Persian custom for prized cities:

Since the time when Egypt fell under Persian domination,... the most famous among the cities is particularly set aside for the wife of the sovereign for footwear (*la Chaussure*).<sup>54</sup>

He goes on to say this system is common to all of the Orient. It is the same under the *Grand Seigneur*, meaning the Ottomans. New Julfa was by all accounts the most beautiful suburb of Isfahan, and therefore deemed worthy of this assignation to the Queen Mother . She was the one the Julfans appealed to for protection and the relationship of the suburb with the Queen Mother is a telling one for New Julfa's status.

It is not only the tax perceived on non-Muslims, but also other taxes, which were paid by the New Julfans to the *khâßba-yi sharîfa*, or Royal Household. The Armenians were a major source of revenue and the income of the silk trade with Europe was only one part of these revenues. Apart from this taxation on non-Muslims which went to the Queen Mother, the Armenian deportation were financially lucrative for the court in more than one way. I will not relate the different forms of taxation and dues they brought to the coffers of

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<sup>52</sup> Kathryn Babayan (1993), p127, was first to notice this attribution of New Julfa's revenues to the Queen Mother.

<sup>53</sup>Jean Chardin, vol. II, (1735) 109.

<sup>54</sup>Jean Chardin, vol. III, (1735) 350.

*khâßba-yi sharîfa*, but I can assert without hesitation that a considerable part of the cash revenues of the Royal Household or *khâßba* in the first half of the seventeenth century were of Armenian provenance.<sup>55</sup> Important among these taxes was the five *tumân* taxation perceived on exported silk under Shâh ‘Abbâs I before the silk even left Iran as was the one third taxation on the essentially Armenian production of silk.<sup>56</sup>

The Armenian communities in Iran, especially the Julfans, were a great source of wealth for the court. Just the taxes received on the silk exported by the Armenians yielded an enormous sum. I carefully use the word court, as under Shâh <sup>TM</sup>afî, it is no longer the Shah who reaps these benefits but still the *ghulâms* at court and the Christian Armenian investors. Not the same *ghulâms*, however, as the ambitious Sârû Taqî, an avid social climber, would eliminate those who ran the silk trade under ‘Abbâs. Under Shâh ‘Abbâs, when all the silk was monopolized in royal hands, the Iranian merchants, the Julfan Armenians and the companies alike, dealt with royal silk factors for their purchases. Both these factors were *ghulâms*, first in rank came Lâlâ Beg, silk factor controlling the sales and storage, but also the shah’s treasurer. After 1622, his protégé Mullâ’îm Beg had become silk factor and also the head merchant of the city of Isfahan, the *Malik-al Tujjâr*. These two royal silk factors also held other administrative roles but profited greatly from their role in the silk distribution. Sârû Taqî who once was vizier in the silk growing regions of the Caspian exposed a financial scandal which destroyed Lalah Beg’s reputation and abruptly ended his career. Sârû Taqî became Grand Vizier. Under his reign there was a

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<sup>55</sup> Ina Baghdiantz McCabe(1999)chapters 4 and 5.

<sup>56</sup> In 1628 before ‘Abbâs I death, the New Julfan stressed that they ran the “entire silk trade of Persia computed to be worth 6,000,000 in Persian money (save for the part done by the English). They wrote this to the Pope for him to allow them to open establishments in the Papal States for the sale of silk, and to furnish them with letters of introduction to the Christian sovereigns. If admitted to the Papal States, they promised to live in a Catholic way.”The price for silk was 48 tumâns a bale in 1628. Six million tumâns therefore bought 125,000 bales. That year the English exported 93 bales and the Dutch VOC exported 614 bales With the two European companies responsible for 707 bales, that leaves the Armenians with 124,293 bales. Although one may argue this number may well be an exaggeration in order to tempt the Pope, if we were to forget the revenues of the silk itself, just the taxation on the Armenian silk exports alone, at five tumâns per bale would bring in the enormous sum of over 621,000 tumâns That over 40 years later, in the 1670s, the Safavid Shah’s annual revenue was estimated at around 700,000 tumâns by Chardin puts this number in perspective.

political high point for both the Christian Armenians and for a new faction of the ghulams.<sup>57</sup>

The high political status of the Armenians suddenly changed in the late forties under ‘Abbâs II, one of the major elements that brought about this change was the crisis of 1645 brought about by the assassination of Sârû Taqî as the Grand Vizier, the most powerful officer of the government under Shâh <sup>TM</sup>afî. as well as under this second shah was to serve only three years. He was very closely allied to the Queen Mother, who after his assassination became part of a losing faction at court. New Julfa was her apanage. In conjunction with the loss of power of the patron of New Julfa, the Queen mother, one suddenly sees major changes in New Julfa. The suburb had recently been the object of some abuse by the Vizier himself. Significantly for our demonstration of the financial importance of New Julfa, this major political assassination was then justified to Ânnâ Khânum, the Queen Mother, by exposing Sârû Taqî’s alleged corruption in collecting dues from New Julfa. She was told that Sârû Taqî was “a dog and a thief” because there was a New Julfan who had to pay 2,500 *livres* of taxes—in five months. The grand vizier, here called a “chien maudit” (cursed dog), had already extorted more than 200,000 behind her back.<sup>58</sup>

The revenues from the Armenian suburb belonged to her, and the vizier had no right to meddle with or take any of them. They were attempting to demonstrate his disloyalty to the queen mother by showing his abuse of the New Julfans and the theft of moneys due to her household. The political turnabout brought another faction into power and the Queen Mother who had been very powerful through her best ally suffered political humiliation and a sudden loss of power through the death of her best ally. There is no way to assess how aware she was of his extortions, or whether she was entirely innocent of them. After

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<sup>57</sup>For a detailed account of the scandal and the Grand Vizier’s career path see: Babayan, K. “The Waning of the Qizilbâsh: The Spiritual and the Temporal in Seventeenth Century Iran.” Ph.D. dissertation, Princeton University, 1993.

<sup>58</sup> Chardin (Paris, 1811), p. 315; cited and analyzed in Babayan (1993), p. 127.

they ceased to be part of the Royal Household, at an uncertain date, the New Julfans were often subjected to an extortion that was considered corrupt and punishable in an earlier age. That abusing the New Julfans was given as a good excuse for the assassination of the highest official in the land, the Grand Vizier, is yet another proof of their politically powerful status at court, when they were included in the shah's household.

A new very religious and very orthodox group rose at court. The exclusive privileges of the suburb broken by the forced settlement of poorer Isfahani Armenians, who were artisans and not merchants, within its boundaries by the orders of the new, orthodox, Grand Vizier. From an open and rich enclave, New Julfa will slowly turn into an Armenian ghetto, as the new grand vizier did not want any Armenians to live outside its premises within the capital of Isfahan. In close conjunction with this event, the family who were directly allied to the Shahs since 1603, and were part of the Royal Household ceased to rule the suburb. The tie between the Armenians and the Shah became so tense that 'Abbâs II sent troops to destroy Old Julfa in 1652, for a second time, perhaps because some Armenians may have gone back once they had lost their political status in Iran. They started emigrating and financing their own churches even more generously than before. They supported printing presses in Europe actively, helping shape an Armenian Renaissance which would have not been possible without merchant wealth<sup>59</sup> One of the first histories printed on an Armenian printing press in Europe contains the history of their deportation, viewed two generations later by a Church historian who calls shah Abbas a Dragon.<sup>60</sup> They would also freely turn towards Europe and Catholicize. They would settle in India like their Iranian counterparts a few decades earlier, they would finance the Doge

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<sup>59</sup> Baghdiantz McCabe, I. "Merchant Capital and Knowledge: The Financing of Early Printing Presses by the Eurasian Silk Trade of New Julfa." *Treasures in Heaven*. Princeton University Press: 1998: 57-69.

<sup>60</sup> A@a'el DawriQe©i Vardapet. Gir° patmu†ean© ßaradreal Vardapetin A@a'eloy DawrðQa©woy: Saks dipuacoc' hayastaneaayc' ew ews gawa®in Araratoy evw masin Go†an gawa®i skseal i t'uoyñ hayoc' 1054ën min≈ew yawart patmagru†eans aylev i hißum aceal masnavorabar asti ev anti [*A Book of Histories composed by A@a'el of Tabriz concerning Armenia and the the provinces of Ararat and of Go†an which begins in the Armenian year of 1054 until the end of history*]. Hams Elawdamum, 1669; Amsterdam, 1669; Va-arßapat, 1896.

of Venice and Peter the Great, but nowhere would they have a direct hand in state-building and be included in the palace.

In the first half of the seventeenth century, their inclusion into the government system of Safavid Iran had brought Isfahan great wealth. Beyond the now invisible administrative and military reforms, that the wealth from silk permitted, a trace of this fleeting prosperity is still quite visibly reflected in what remains of Isfahan's Safavid architecture, and in the few houses that remain standing in New Julfa. The crisis caused by Shah Abbas II accession and by Sârû Taqî 's assassination three years later in 1645, brings us to a last point which needs to be made. Even for the New Julfans no general statement can be made about their unusual political status as a trade diaspora. Their inclusion in the palace was not to last beyond a few decades, it was fleeting. If it is dangerous to generalize for New Julfa, it is even more dangerous to speak or write about the Armenian Diaspora as a monolith, or as a unit, yet this is done on a routine basis. The New Julfan unusual political integration and their court status seems to have been unique, although we have so few studies on Armenian traders that I refuse to affirm this. The global network they established continued to function well past the middle of the century. and their silk trade was still important at the end of the century. <sup>61</sup> They even tried to establish themselves in Jamestown in colonial America, but the global scale of their trade depended in large part in their privileged access to Iranian silk, their organized network based in a protected city-state. They were by Chardin's account well protected from high taxes for the first half of the century, and highly favored. <sup>62</sup>

Most probably it is after they lost their high rank they formed a formal commercial Company. Family was as before the basic unit of the whole system. Factor's working on 4% commission were mostly extended family members. Their commercial system based on

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<sup>61</sup>Ina Baghdiantz "The Armenian Merchants of New Julfa: Some Aspects of their International Trade at the End of the Seventeenth Century. " Unpublished Ph.D. Dissertation. Columbia University 1993

<sup>62</sup>Jean Chardin (1735) Volume II, p.107-8.

family ties was not extraordinary and it was far from unique. The well-known Italian merchant families are a European example of the same family system, there are many examples in Asia, as anyone who has heard the name Patak will immediately see. This was a common trading system in the Early Modern period, and a system that has not disappeared today. The European Companies, although they also had families tied together in mutual interest within their councils, were structurally different when they very soon left behind their former reliance on family. For the Armenian Company one sees a successful integration of a family system and the modern company system although the dates of its inception are unclear. Several major families joined together pooling resources into a modern style company. As in a joint stock company, sharing vital information and funds, sharing the risk of major losses. They successfully mixed the two commercial systems: the family and the company. They merged Early Modern structures with the comprehensive organization of the company system and kept their global trade for another century. That Armenian families and factors remain in competition, there is no question, but so were they in many of the European companies. Many a European director or factor struck out on their own once in India and competed with the company for personal profit, or with another director. The Weberian view of the Armenians as a “pariah” group, like another diaspora, the Jews, creates resistance in scholarship when one compares their trade to that of the companies as I have in my book.<sup>63</sup> Despite orientalist views to the contrary, there is no doubt that Jewish and Armenian networks were highly organized, that the market was transparent to them through sharing data, and they competed quite successfully with these European companies for Eurasian trade before 1713.<sup>64</sup> In the seventeenth century the European companies did not have the power and organization they acquired later. How long the New Julfan company lasted is unclear. Documents such as

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<sup>63</sup>Anthony Reid pinpoints this view in his article.

<sup>64</sup>For why this became difficult after 1713 and the Jewish network in this period see Jonathan Israel *European Jewery in the age of Mercantilism (1550-1750)*. London, 1998. For an explanation of the problems encountered after 1713 see p.203.

its agreement with the English East India Company in the 1680s, can be misleading as they point to the existence of several networks and companies claiming to be the whole Julfan network. That agreement happens after many families have left New Julfa. It makes clear that most probably by then if it still existed the Company was disintegrating. Jean Chardin who knew the Armenians from his trip in the 60's and 70 and who represented them in London, was shocked at the sudden number of factions and the lack of cohesion.<sup>65</sup> This is an added complication in studying such a network, not only can nothing be generalized for a long period of time, the entire picture is very difficult to reconstruct.. Their trade is quite impossible to sum up, given that the traces of it are scattered world-wide in an incredible variety of languages, a glimpse into their important fifty years in Iran is just a beginning, an attempt to explain their extraordinary global success, which in large part was forged during the first half of the seventeenth century.

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<sup>65</sup>Ferrier, R.W. "The Armenians and the East India Company in Persia in the Seventeenth and Early Eighteenth Centuries." *The Economic History Review*, 2<sup>nd</sup> ser, vol. 26, no. 1 (February 1973), pp. 38-62.