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## NOTES

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### *Armenian Trade with the English East India Company: an Aperçu \**

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Trade has always played an important part in the economic life of the Armenian people. Studies in ancient, medieval, and modern trade testify that Armenians have enjoyed thriving trade relations with many world civilizations.<sup>1</sup>

A contributing factor in Armenian commercial success was its geographic location. Although landlocked within the Caspian, Black, and Mediterranean seas at most periods of its history, trade between Europe and Asia passed through or near Armenia, also known as the land of Ararat. Two of the three principal trade routes<sup>2</sup> crossed Armenia, which lies roughly between 37° and 49° longitude East, and 37.5° and 41.5° latitude North. The first route cut across Armenia in an east-west direction and the second reached Armenia coming from the Persian Gulf and the Euphrates valley and continuing northward to the Black Sea coast and southward to the Mediterranean coast.

The lucrative transit trade of Armenia did not confine the merchants of Ararat to their home. With the revitalization of international trade in the Mediterranean world between the eleventh and fourteenth centuries, on the one

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<sup>1</sup> H. A. MANANDIAN, *The Trade and Cities of Armenia in Relation to Ancient World Trade*, trans. Nina G. Garsoian (Lisbon, 1965). Intended for specialists in Armenian history, the Caucasus, Orientalists, and Byzantists. Contains an extensive bibliography. K. S. Papazian, *Merchants from Ararat*, ed. and rev. by P. M. Manuelian (New York, 1979). This volume is a brief survey of Armenian trade through the ages. Philip D. Curtin, *Cross-cultural Trade in World History* (Cambridge, 1984), pp. 182-85.

<sup>2</sup> "The three major routes by which trade flowed from the Far East to Europe had existed since Roman times". T. WALTER WALLBANK *et al.*, *Civilization Past and Present*, 2 vols. (Glenview, Illinois, 1972), vol 1, pp. 367-68 and p. 116 (map).

hand, and the creation of the vast Mongol Empire (1234-1368) in the East, on the other, Armenian merchants were spurred to travel abroad and establish trade communities in cities across the Eurasian continent. Over the centuries, these trade communities grew in number and economic power, thereby creating a strong network of Armenian trade diaspora.<sup>3</sup>

One notable Armenian trade community developed outside the walls of the capital city of Isfahan, Persia, in the early seventeenth century. This suburb was called New Julfa, after a city in the homeland from which the Armenians had been forcibly moved by Shah Abbas I during the incessant wars between the Ottoman Turks and the Persian dynasty of the Safavids.<sup>4</sup> Shortly after this forced migration, the Armenians took root and prospered in their new environment. Under the patronage of the Shahs, the Armenian merchants helped Isfahan to flourish while at the same time furthering their own commercial interests. The commercial and financial expertise of the Armenians enabled them not only to carry on the Shah's trade, but also to compete with European merchants, including the East India companies. It is the purpose of this paper to examine briefly the relationship that developed between the Armenians and the English East India Company up to the Trade Agreement of 1688.

### The English East India Company in Persia and India

Of the East India companies, the English East India Company appeared on the scene well after the Portuguese and the Dutch; but it survived long after all other "East India" companies were moribund. Founded in 1600, the English East India Company carried a highly profitable trade for its shareholders for over two and a half centuries while at the same time serving as the British Government's long arm in colonial activity.<sup>5</sup> To establish itself in the region, the English East India Company had to compete both with the Portuguese and the Dutch, but primarily with the latter. By the time the English arrived on the subcontinent of Asia, the Dutch had already assaulted the Portuguese monopoly and emerged as a major force. Soon, the English gained a foothold in the region and gradually established a network of trading settlements, known as factories.

<sup>3</sup> Sirarpie Der Nersessian, "The Kingdom of Cilician Armenia," in *A History of the Crusades*, vol. 2, ed. Wolff and Hazard (Philadelphia, 1962), pp. 630-59. Sirarpie Der Nersessian, *The Armenians* (New York, 1970), pp. 54-71. W. HEYD, *Histoire du commerce du Levant au moyen-âge*, 2 vols. (Leipzig, 1923). Curtin, *Cross-cultural Trade*, pp. 185-6. David Marshall Lang, *Armenia: Cradle of Civilization* (London, 1970), pp. 200-11.

<sup>4</sup> ROGER SAVORY, *Iran under the Safavids* (Cambridge, 1980) pp. 174-5. Lang, *Armenia*, pp. 210-1.

<sup>5</sup> K. N. CHAUDHURI, *The English East India Company: the Study of an Early Joint-Stock Company, 1600-1640* (London, 1965). K. N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760* (Cambridge, 1978). Ramkrishna Mukherjee, *The Rise and Fall of the East India Company: A Sociological Appraisal* (New York, 1974).

From their factory at Surat on the West (Malabar) Coast of India, the English sent factors to Persia in 1613 in order to survey the market conditions there. The factors were favourably impressed by their findings and were eager to barter the British woollen textiles, of which there was a surplus at Surat, for Persian silk. The Shah of Persia was also in favour of developing trade relations with the West, especially with the English. By 1617, English factories were set up at Shiraz and Isfahan in Persia.

It was not long after the opening up of this trade that the English and the Portuguese clashed at the gates of the Persian Gulf. The Shah, who wanted to see the Portuguese out of Hormuz, prevailed upon the English to achieve his purpose. In 1622, the English demolished the fortress at Hormuz and with it Portuguese supremacy.<sup>6</sup> After the Portuguese were moved out of the Persian Gulf, a new port by the name of Bandar Abbas was founded on the site of Gombroon to succeed the trade of Hormuz. For their participation in driving the Portuguese out, the English were offered one-half of the customs revenue of Bandar Abbas, where very shortly afterwards the Company established a new factory.

Despite the fact that the English East India Company was now in favour with the Persian Court, it was not until the end of the century that the English emerged as the supreme power in Persia and the Gulf. There were various reasons for this. First, there was the ruthless competition of the Dutch and then the attempt by the French to establish themselves in the Gulf. Second, England was undergoing internal political troubles as well as waging wars with Holland and France. Third, the Company's monopoly was being threatened by interlopers of its own nationality and by the creation of a new English East India Company. (In 1709 the Old and New East India Companies merged into one United East India Company). Fourth, the Company was faced with opposition from Persian traders and obstruction and extortion by Persian officials. Fifth, the English experienced great difficulties with the influential and powerful Armenian merchant community, whose interests ran counter to theirs.

### **English Contacts with Armenian Merchants**

In the annals of the English East India Company there is no dearth of references to Armenians. As early as 1605, the year in which Shah Abbas I deported the Armenians from their homeland to Persia, Sir Robert Shirley, an eyewitness to this event, recounts how "the King of [Persia] has entrapped them [the Armenians] with deceit and flattery, and publishes to the world the hatred he bears to the name of Christians, making slaves of the poor Armenians, and burning and pulling down all churches..."<sup>7</sup>

<sup>6</sup> Savory, *Iran*, pp. 195-6.

<sup>7</sup> W. NOEL SAINSBURY, ed., *Calendar of State Papers, East Indies* (London, 1862-92), May 22, 1605, 344.

The Armenians had barely settled in New Julfa when, around 1609, "there arrived two Carmelite friars sent by the Pope, whose commission is by all means to endeavour to bring the Armenians of Persia to become Catholic."<sup>8</sup> Efforts at such conversions continued over the centuries with a certain amount of success.<sup>9</sup>

Very early in their encounter with the Armenian merchants of New Julfa, the English learned that the Armenians purchased cloth from the Europeans at Aleppo, which included the English Levant Company, and transported it eastward in order to barter it for the raw silk of Persia. This trade had developed over a long period and was not to be shaken easily. In 1619, the factors of the Company were aware that.

The Armenians and others, who have in precedent times exported Persian silks and other commodities by way of Turkey, and thereby purchased great wealth, use all their endeavours to hinder the English in their trade, and have offered the King [of Persia] 150,000 l. sterling, or a custom equal to 12 d. sterling on every pound of 16 oz. of silk, 'to tolerate their former free commerce by land'.<sup>10</sup>

However, the Company failed to appreciate the magnitude of Armenian influence over the Levant trade.

From their commercial centre at New Julfa (Isfahan), the Armenians extended their operations westward into Italy, France, England, and Holland; northward into Russia; and eastward into India, the Indies, and beyond. This extensive development was both overland and by sea. By the end of the first quarter of the XVIIth century, Armenian merchants availed themselves of both English and Dutch shipping facilities for their trade between Persia and India.

As time went on, some enterprising Armenians became increasingly interested in sea-borne or "country" trade. The English used the term "country" trade to refer to the port-to-port trade along the coast of East Africa and Asia. Among those Armenians was Khwaja Minas, "an able and well reputed Armenian merchant" of Surat, who also operated shipping between Bandar Abbas on the Persian Gulf and Surat in India and as far afield as Manila in the Philippines. From the second half of the XVIIth century onward, Armenians "were more directly concerned with country shipping." As a result of these activities, more and more Armenian merchants settled in ports throughout the East Indies but always maintained their "contact with the communities in Armenia and Persia, especially the flourishing suburb of Julfa outside Isfahan."<sup>11</sup>

Throughout the XVIIth century, the Armenians had a constant and pervasive influence in the region. The Company's factors in Persia were well aware of this situation:

<sup>8</sup> Sainsbury, *Calendar*, June 10, 1609, 446.

<sup>9</sup> Sources given in R. W. FERRIER, "The Agreement of the East India Company with the Armenian Nation 22nd June 1688," *Revue des études arméniennes*, 7 (n. s.): 427-43 (1970), p. 433, fn. 28.

<sup>10</sup> Sainsbury, 1619, 753.

<sup>11</sup> HOLDEN FURBER, *Rival Empires of Trade in the Orient, 1600-1800* (Minneapolis, 1976), p. 25.

[In] Persia and Bussora, the greatest thing is Cloth, which is plentifully supplied by the Armenian Merchants from Aleppo, who care not how small their proffitt is on this Cloth, so they can get in Truck for it Raw Silk and there comes in there great gain, by sending it to Turkey, Aleppo and other places...<sup>12</sup>

The market in India was also dominated by the Armenian merchants, who "brought overland from Persia very great quantities of broadcloth, and sold it at such low rates that Lahore and Agra are both 'cloyed'." <sup>13</sup> It was acknowledged that "the price [of commodities] is commonly broken by Mogulls and Armenians," <sup>14</sup> and that "the Armenians drive a rich trade between India and Persia." <sup>15</sup>

English efforts to capture the greater share of these markets remained unfruitful. The relatively poor trading conditions were, of course, the result of several factors. Until nearly 1690, the Dutch were the paramount European power in the Persian Gulf. This Dutch superiority often caused the suspension of English navigation between Bandar Abbas (Gombroon) and Surat. In Persia, the firmans issued by the Shahs were often ignored by the officials "the acquiring of which had cost so much money, were now attended with no beneficial consequences." <sup>16</sup> The English were also having difficulty in collecting their share of the customs at Bandar Abbas, a right they had earned by helping the Persians drive the Portuguese out of Hormuz in 1622. In India, frequently raging wars contributed to the depressed state of trade. Alongside these difficulties was the Armenian opposition to the English plan for diverting the silk trade from Aleppo to their factories in Persia and India.

In the face of all these difficulties, English determination to revive the Persian trade was not dampened. In letters dated March 5, 1674/5, addressed to the President and Council at Surat and the Agent and Factors in Persia, the Company's Court of Committees (Board of Directors) made it clear that they were ready to revive and increase the trade to Persia by armed forces, if necessary. But being unsure of the consequences of such a show of force, it was recommended that

the ships intended for the Persian Gulf should be fitted equally for war and for trade, to give the appearance of force and of commerce, and that the Agent at Gombroon should provide as much Caramania wool, (which was in great demand,) as his funds would allow, and recover the moiety of the customs, till such time as a better knowledge of the relative circumstances of Persia and India should enable the Court to determine, *whether it would be preferable to place the Persian trade on a more*

<sup>12</sup> As quoted by R. W. FERRIER, "The Armenians and the East India Company in the Seventeenth and Early Eighteenth Centuries," *Economic History Review*, 26: 38-62 (1973), p. 49.

<sup>13</sup> WILLIAM FOSTER, *The English Factories in India, 1642-1645* (Oxford: 1913), p. 18.

<sup>14</sup> FOSTER, *The English*, p. 303.

<sup>15</sup> SAINSBURY, *Calendar*, March, 1617, 54.

<sup>16</sup> JOHN BRUCE, *Annals of the Honorable East-India Company, 1600-1708*, 3 vols. (London, 1810), vol. 3, p. 145.

*enlarged scale, by means of negotiation, or by an increase of naval force. (Emphasis supplied.)*<sup>17</sup>

After giving careful consideration to this matter, the Company decided to rely on the expedience of negotiation.

### Trade Agreement between the Company and Khwaja Panous Callendar

By 1670, the initial favour shown by the Persian Court to the English had declined into negligence and even hostility. However, Company optimism for the future remained alive and in the early 1680's matters gradually began to improve. In a letter dated September 6, 1682, addressed to the Company's Agent and Council in Persia, the Board underscored its intent to revitalize the trade between Persia and London. It reads

...now being resolved by God's permission that the trade of Persia shall not lye fallow to the English Nation, as it hath done to long, we have ordered you to provide us a large quantity of divers sorts of goods of that Country, which we would have you provide & send us home directly...<sup>18</sup>

Through the exertions of the Company's Armenian interpreter, in 1686 the English were able to obtain from the Persian Government a decree for the protection of their trade and a confirmation of the Company's privileges at Bandar Abbas.<sup>19</sup>

In their trade with Persia, the English were principally concerned with increasing the imports of silk and promoting the export of cloth. But as in the past, the main obstacle to the Company's plan was likely to come from the Armenian merchants of New Julfa who purchased European cloth at Aleppo and bartered it for the raw silk of Persia. One way of overcoming the Armenian opposition was to enter into an agreement with them. This the Company succeeded in doing by signing a contract with a well-known Armenian merchant of New Julfa, Khwaja Panous Callendar, who then resided in London.

At a meeting of the Board of Directors, held on June 22, 1688, the Company's Deputy-Governor, Sir Josiah Child, informed the members that

he had had several discourses with an Armenian about matters of trade, to and from the East Indies which may *in time* prove very beneficiall to this Company, It is ordered that the Committees for the Treasury be desired to affix the Companies Seal to such agreement with Coja Panous Kalendar, as shal be made and attested by the Governour, Deputy [Governour] and any two more of the said Committees for Secrecy. (Emphasis supplied).<sup>20</sup>

The Agreement was drawn on the same day and signed by Benjamin Bathurst, Governour; Josiah Child, Deputy-Governour; Worcester; John Moore; and George Boun. It was comprised of three documents.

<sup>17</sup> BRUCE, *Annals*, vol. 2 p. 359.

<sup>18</sup> [I]ndia [O]ffice [R]ecords, E/3/90, p. 37.

<sup>19</sup> BRUCE, *Annals*, vol. 2, p. 578.

<sup>20</sup> IOR, B/39, p. 132.

The first of these documents dealt primarily with matters of trade. After the appropriate salutation, the Agreement gave the names of the principal negotiators:

Whereas Representacon hath been made to Us, by Sir Josia Child, Baronet, Our Deputy-Governour, That upon long conferences by him had with Coja Panous Calendar an Armenian Merchant of eminency & an Inhabitant of Ispahan in Persia, as also with Sir John Chardin of London, Knight, they had on behalf of the Armenian Nation...<sup>21</sup>

Next came the proposal:

...proposed to him [Sir Josia Child] several particulars for carrying on a great part of the Armenians trade to India and Persia, and from thence to Europe by the way of England, which will roudout greatly to His Majesty's advantage in his Customs, and to the encrease of the English Navigation, if the Armenian Nation might obtain such licences from this Company as will give them encouragement so to alter and invert the ancient course of their Trade to and from Europe...<sup>22</sup>

In return, the English were to extend the following privileges to the Armenian Nation:

First, That the Armenian Nacon shall now and at all times hereafter have equal share and benefit of all Indulgences this Company have or shall at any time hereafter grant to any of their own Adventurers or other English Merchants whatsoever.

Secondly, That they shall have free liberty at all times hereafter to pass and repass to and from India on any of the Companys Ships, on as advantageous terms as any Freeman whatsoever.

Thirdly, That they shall have liberty to live in any of the Companys Garisons or Towns in India, and to buy sell and purchase land or houses & be capable of all Civil Offices & Preferments in the same manner as if they were Englishmen born, & shall allways have the free & undisturbed liberty of the exercise of their own Religion. And we hereby declare, that we will not continue any Governour in our service that shall in any kind disturb or discountenance them in the full enjoyment of all the privileges hereby granted to them: Neither shall they pay any other or greater duty in India than the Companys Factors or any other Englishman born doe or ought to doe.

Fourthly, That they may voyage from any of the Companys Garisons to any other ports or places in India the South Seas China or the Manillas, in any of the Companys Ships or any permissive free Ships allowed by the Company; and may have liberty to trade to China the Manillas or any other Ports or places within the limits of the Companys Charter, upon equal terms duties & freights with any free Englishmen whatsoever.<sup>23</sup>

The rest of the Agreement dealt with particulars such as commodities, freight, customs, terms of payment, and the like.

<sup>21</sup> IOR, B/39, p. 133. From other texts, such as the quotation of fn. 31, it may be surmised that Kwaja Callendar's representation of the Armenian nation was more by virtue of his influential position in the Armenian community rather than resulting from a formal unanimous vote of an executive body representing the Armenian merchants of New Julfa.

<sup>22</sup> IOR, B/39, p. 133.

<sup>23</sup> IOR, B/39, pp. 133-4.

A second document of this thri-partite Agreement assured those Armenians who may choose to live in the Company's garrisons, towns, or cities "the free & undisturbed liberty of the exercise of their own Religion." It specifically states that

for the better encouragement of that Nation to settle and cohabit in the several Garisons Cities and Towns in the East Indies under our jurisdiccon, by these presents declare grant and agree, that whenever fforty or more of the Armenian Nation shall become Inhabitants in any of the Garisons Cities or Towns belonging to the Company in the East Indies, the said Armenians shall not only have and enjoy the free use and exercise of their Religion, but there shalbe also alloted to them a parcel of ground to erect a Church thereon for the worship and service of God in their own way: And that we will also at our own charge, cause a convenient Church to be built of Tymber, which afterwards the said Armenians may alter and build with stone or other solid materials to their own good liking. And the said Governour & Company will also allow Fifty pounds per Annum during the space of seaven years for the maintenance of such Priest or Minister as they shall choose to officiate therein.<sup>24</sup>

A third document was drawn in appreciation of Khwaja Panous Callendar's "great pains in making an agreement with the said Company for a great trade to be carried on in English Shipping by himself and others of the Armenian Nation,"<sup>25</sup>

The said Governour and Company, in consideracon thereof, doe by these presents (at the request of the said Coja Panous Kalendar) freely grant unto him & his family the sole trade of Garnats [garnets], he paying Ten per Cent Custom for the same and the usual freights paid by the Company. And the said Company doe hereby declare That they will neither trade in the said Commodity themselves, nor suffer any other persons English or Strangers for the future to trade or traffique in that Commodity.<sup>26</sup>

### Consequences of the Agreement

Perhaps the most interesting question in the history of Armenian trade with the English East India Company arises at this juncture: What, if any, were the consequences of the Trade Agreement signed between the Company and Khwaja Panous Callendar? In his well-known work, *Armenians in India*, Mesrovb Jacob Seth has hypothesized that the Agreement "proved the *death knell* to the extensive and important Armenian trade in India."<sup>27</sup> Some thirty-three years after the publication of Seth's work, a study conducted by R. W. Ferrier reached the conclusion that the Agreement "was not so catastrophic for the Armenians nor so beneficial for the English Company."<sup>28</sup>

<sup>24</sup> IOR, B/39, p. 135.

<sup>25</sup> IOR, B/39, p. 135.

<sup>26</sup> IOR, B/39, p. 135.

<sup>27</sup> MESROVB JACOB SETH, *Armenians in India* (Calcutta, 1937), p. 231.

<sup>28</sup> FERRIER, "The Agreement", p. 427.

In the years preceding the Agreement of 1688 the Company "was constrained to acknowledge that desperate measures were needed if the Company was not to be forced out of business altogether."<sup>29</sup> The Agreement was such a "desperate measure" for it conferred on Armenians "equal status with Englishmen in the conduct of commercial operations—a step which would have been unthinkable a hundred years later."<sup>30</sup> Despite the Trade Agreement, the English were far from convinced that the Armenian merchants would indeed extend to them the preferential trade status. Some nine years after the signing of the Agreement, the Company's Board of Directors remarked in a letter to their factors at Isfahan:

But some may think it improbable they [the Armenians] should ever depart so much from their own interest as to advise us how to deprive themselves of the Aleppo Cloth Trade. To which we reply, it is true that it is not reasonable to expect it; it is against nature and reason to expect that such wise men should further our Trade to the ruine of their own, which peradventure they have been possessed of ever since any cloth was made in the World, for most certainly they are the most ancient merchants of the world.<sup>31</sup>

Nonetheless, the Company was willing to give it a try. But the Armenian merchants were not about to jeopardize their present trade for an uncertain future. In fact, in a letter to the Company, the Armenians wrote:

As for bringing Silk to Ispahan, yt is but wind, for nobody will be so mad, when we carry it to Aleppo: we have more ways than one to dispose of it; for there are English, French, Venetians and Dutch; if we cannot sell them for ready money, part money, cloth, CocheNeal, amber, Coral, or false pearl; then we can carry it to Europe our Selves; but if we bring it to Ispahan there is only you to buy it, and if you won't give us a price, then we must let you have it, as you will; and take cloth at what price you will; for you won't let us put it on board your Ships for England.<sup>32</sup>

If the Trade Agreement did not fulfill the fondest hopes of the English East India Company, it nevertheless spurred enough trade to bring the Company out of its demise. In this, Ferrier concurs: "The Armenians in India refused to deal with the Company officially, though private contracts and trading arrangements between them and the factors continued."<sup>33</sup> By the early eighteenth century, the English had achieved a secure and favourable position in the region.

In the meantime, the Armenian merchant community in New Julfa held on tenaciously to its traditional trade routes. The volume of the trade that passed through Anatolia and across Iraq and Syria to the Levantine ports increased spectacularly in the eighteenth century.<sup>34</sup> The foreign trade of Persia, namely, the export of silk and import of cloth, continued to be in the hands of Arme-

<sup>29</sup> SAVORY, *Iran*, p. 200.

<sup>30</sup> SAVORY, *Iran*, p. 200.

<sup>31</sup> As quoted by Chaudhuri, *The Trading*, p. 226.

<sup>32</sup> As quoted by Ferrier, "The Armenians", p. 56.

<sup>33</sup> FERRIER, "THE AGREEMENT", p. 436.

<sup>34</sup> CHAUDHURI, *The Trading*, p. 226.

nians. However, with the end of the Safavid rule (1772), Persia entered a period of great upheaval and instability forcing many of the wealthiest Armenians to move to India.<sup>35</sup> Despite the unfavourable political conditions, the Armenian merchants continued to operate with great success both overland and overseas. In fact, "[they] were at the height of their fame and prosperity in the mid eighteenth century."<sup>36</sup>

### Concluding Observations

Research on the subject of Armenian trade with the English East India Company does not support the hypothesis that the Agreement of 1688 "proved the *death knell* to the extensive and important Armenian trade in India." Despite Khwaja Panous Callendar's highly influential position among the Armenian merchants of New Julfa, the commanding majority of the Armenian merchants did not support the Agreement.

Although the Agreement did not help to divert the overland trade between Persia and the Levantine coast of the Mediterranean into the Company's hands, it nevertheless benefited the Company by creating closer ties between the English and the Armenian merchants of India and Persia. Armenians, who held high governmental offices in both countries, helped the English to secure trading privileges. They acted as interpreters for the English and instructed them in the Armenian and Persian languages in order to facilitate their contacts with the local merchants. Indirectly, the close ties between the English and Armenians contributed to the increase of English trade in the region. In all probability, this Agreement may have been an important factor in the Company's ability to survive the hard times it faced.

<sup>35</sup> A wave of Armenian migration to India took place in the sixteenth century when at the invitation of the Mogul Emperor Akbar (1542-1602) many Armenian merchants from the homeland and neighboring countries came and settled in India. In a short time, a flourishing Armenian community sprang up at Agra. Over the years, other Armenian communities were formed, such as those at Madras, Surat, Bombay, and Calcutta. Lang, *Armenia*, p. 211.

<sup>36</sup> FURBER, *Rival Empires*, p. 25.