



## ETTEHĀDIYA, ŠERKAT-E

**ETTEHĀDIYA, ŠERKAT-E**, an exchange company (*šarrāfi*) founded in Tabrīz in 1305/1887 (Jamālzāda, p. 98) by the brothers Ḥājī ‘Alī and Ḥājī Maḥdī Kūzakanānī in partnership with two local money changers (*šarrāfs*), Sayed Mortazā and Ḥājī Loṭf-‘Alī, and other Tabrīzī merchants (Ettehādiya, 1363 Š./1984, p. 315). A third brother, Hājī Ḥasan, represented the company in Istanbul. Ḥājī Loṭf-‘Alī was the company’s representative in Tehran. The year the company was founded has been given variously as 1305/1887 (Jamalzāda, p. 98) and 1314/1896 (Bānk-e Mellī, pp. 47-55). However, the first date seems correct since Hājī Loṭf-‘Alī was already acting as the firm’s representative in Tehran in 1312/1893. The partnership apparently existed for about 15 years. Much of what is known about the history of the company comes from correspondence between Ḥājī Loṭf-‘Alī and his brother during the years 1312-16/1894-98 as well as from some surviving promissory notes issued between 1313/1895 and 1317/1899.

Traditionally, money changers provided loans to the government, dealt in bills of exchange (*barāts*), and speculated in foreign currencies. Šerkat-e Ettehādiya conducted this kind of business on a larger scale than was possible for individual merchants. In 1315/1897 its operating capital amounted to 100,000 tomans (Ašraf, p. 76). It had representatives in cities all over the country, including Tehran, Tabrīz, Mašhad, and Shiraz, as well as in Herāt, Mecca, Medina, Najaf, Baghdad, London and Moscow.

The British Imperial Bank and the Russian Discount and Loan Bank (Bānk-e esteqrāzi-e Rūs), founded in 1889 and 1890 respectively, captured much of the



business that had formerly been handled by the money changers. The latter tried to compete by adopting modern business methods and by forming companies. According to Ḥājī Loṭf-‘Alī’s correspondence, there was also discussion of organizing a bank. This rivalry was not without consequences for the Imperial Bank (Jones, pp. 97, 99) and at times caused panic and disruption of business. According to the memoirs of Colonel V. A. Kosogovskii, commander of the Persian Cossack Brigade (q.v.), several of the larger Persian firms, including Šerkat-e Etteḥādīya, banded together in an unsuccessful attempt to bring down the bank (Kosogovskii, pp. 210-15). The surviving correspondence is rich in detail on business conditions and the difficulties experienced by the Persian financial community. In 1316/1898 Ḥājī Loṭf-‘Alī, who later adopted the surname Etteḥādīya, resigned from the firm after a quarrel with the Kūzakanānīs and went into business with his son Raḥīm. Information on the last years of the firm is thus very sparse.

During World War I the British embassy prepared a blacklist of companies and merchants who dealt with the Germans, and their assets were frozen. Both Šerkat-e Etteḥādīya and Ḥājī Loṭf-‘Alī’s firm were named (Etteḥādīya, 1977), but it appears that the British had used an outdated list since the former had been dissolved in 1899.

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