



HAMADĀNIĀN FACTORIES AND ENDOWMENTS

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Established by ‘Ali Hamadāniān (1907-63) and his brother Ḥosayn Hamadāniān (1909-78), entrepreneurs and industrialists based in Isfahan, these include textile, cement, and sugar factories, which had a decisive impact on industrialization of the city, and the Hamadāniān Foundation, which engages in significant philanthropic activities.

The Hamadāniān Family. Sometime in the 19th century, Ḥāji Moḥammad-Mehdi and his brother migrated from Hamadān to Isfahan, then the most important center of commerce in Persia after Tabriz. His son, Ḥāji Moḥammad-Rezā Hamadāni grew up in the Sina-pāy(i)ni neighborhood of Bidābād quarter and became a prominent businessman in Isfahan’s bazaar. Like many contemporary businessmen of his rank, he was chiefly involved in the export of opium, tragantgummi (*katirā*), and tobacco, and represented the British company of Jackson in Isfahan (Musawi, pp. 18-19). He was among the progressive merchants who supported the Constitutional Revolution of 1906 (*idem*, p. 68), while he also maintained strong ties with the local clergy. True to this cause, he married a sister of Shaikh Moḥammad-Taqi Najafi, better known as Āqā Najafi, the town’s leading clergyman (*idem*, p. 154). Judging by the Ḥāji’s will, dated 1339/1921 (*apud* Musawi, pp. 20-27), he left behind an enormous inheritance, allocating a third, the maximum amount allowed by



the sharia (*šari‘a*), to an endowment for maintaining mosques, financing seminaries, feeding the poor, and especially funding *rawza-kvānis* and the feasts held during the holy month of Moḥarram. The remainder of the wealth was to be divided among his children according to Islamic law.

Ḥāji Moḥammad-Rezā was survived by three sons, ‘Ali, Ḥosayn (Figure 1), and Ḥabib, and a daughter, Ḳadija. The sons were educated in the local British College (see ISFAHAN xv. [Education and Cultural Affairs](#)), and they were engaged, from an early age, in the work of Hamadāniān and Sons Commercial Firm (Tejāratkāna-ye Moḥammad-Rezā-ye Hamadāniān o pesarān), which evolved into the Šerkat-e Tazāmoni-e ‘Ali o Ḥosayn-e Hamadāniān, in the Malek arcade (*timčā*) of Isfahan’s bazaar (Musawī, p. 179).

The eldest son, ‘Ali, succeeded his father in the bazaar. His profound talent in business was evident from an early age. While still a teenager, ‘Ali drafted a will on his personal savings of 14,575 rials and a merchandise of nearly 300 royal maunds (*man-e šāh*, 5.8 kg) of opium that he shared with his father (Musawī, pp. 156-58). As a typical *bāzārī*, ‘Ali stayed in close contact with the local clergy and would pay his religious dues to the influential mullah Ḥāj Āqā Raḥim Arbāb (*idem*, p. 169). In his twenties, however, ‘Ali realized the proactive industrial policy implemented by the modernist administration of Reza Shah Pahlavi, and, inspired by the local pioneers like Ḥāj Moḥammad-Ḥosayn Kāzeruni (q.v.), he changed his business strategy from the bazaar to industrial manufacturing. His destiny was to become the chief factory owner and one of the most celebrated men in his hometown.

‘Ali Hamadāniān is characterized as a visionary and indefatigable entrepreneur, with the sole ambition of expanding his enterprises. His workaholic and despotic character and a simple way of life that bordered on miserliness caused his wife to desert him. He justly believed that his greatest achievement was producing jobs and sustaining families; the mills the Hamadāniān brothers owned employed in the 1960s up to 8,000 workers, constituting a tenth of the city’s workforce. His business conduct, however, was not always totally upright, and he would pull strings to win various loans and credits. As a successful financier, he would reinvest his earnings incessantly, and because he remained a debtor all his life he would consider himself as not being *wājeb al-ḥajj*, i.e. liable to making pilgrimage to Mecca as a Muslim (Musawī, p. 169). ‘Ali Hamadāniān’s alleged reply to the mine engineers who had provided him with an estimate of the local raw material supplies for his cement factory has also become proverbial: “What after 200



years?” These words have been lavishly cited for decades by the credulous townspeople and the mullahs as an ultimate instance of human greed; yet little appreciation is expressed for the impact Hamadāniāns’ endeavors left on the city.

Ḥosayn Hamadāniān’s business activities were quite diverse. Aside from partnership with his brother and his investments in Isfahan’s bazaar, horticulture, and cattle husbandry, he held numerous ventures in Tehran, where he spent a good part of his life. In the trade of importing foreign-made cars, he got into partnership with the Lebanese venture capitalist Charles Kataneh in a firm named Nurād, and, after World War II, when foreigners were denied permission to invest in Iran, Hamadāniān opened Auto Sa’di (Musawī, p. 179). He was active in Tehran’s real estate and was a stockholder in several enterprises, including the German Huchst and the Industries and Mines Bank (*Bānk-e šanāye’ o ma’āden*). He was also a member of the board of directors of the Union of the Owners of Industrial Enterprises (Etteḥādiya-ye šāḥebān-e šanāye’; see [CHAMBER OF COMMERCE, INDUSTRIES, AND MINES OF PERSIA](#)).

In Isfahan, Ḥosayn Hamadāniān held a largely passive role in the management of the factories he shared with his brother, possibly due to their severed personal relationships. It was only after the untimely death of his brother that Ḥosayn relocated to Isfahan to run the Šahnāz textiles and the young cement mill and to proceed with the launch of a sugar factory and, eventually, the endowments. Contrary to his brother, Ḥosayn lived an opulent life and remained single. Nonetheless, he tried to leave a pious impression of himself on his fellow townspeople by building mosques, funding seminaries, and resorting to *esteḳāra*, as attested in his letters to Ḥāj Āqā Raḥim Arbāb (Musawī, p. 185). The post-revolutionary historians have thus tried to portray him as a man of piety and benevolence. Likewise, his detention in the mid-1970s, amidst the intensive national campaign against overpricing (*mobāreza bā gerānforuši*), is construed as the price he paid for resisting the regime from taking over the Hamadāniān Foundation (ICC website). Ḥosayn Hamadāniān spent his last years in Europe, where he received extended medical treatments.

Textile factories. In the heyday of textile manufacturing in Isfahan (1934-38) ‘Ali Hamadāniān founded the Wool Industries Company (Šerkat-e saḥāmi-e šanāye’-e pašm) with a broad investment base. There were initially 392 investors who had bought 6,000 shares, issued in 1,000-rial denominations,



and 'Ali Hamadāniān was the leading investor with 220 shares (for a list, see Musawi, Appendix 1). The company held its first general assembly of the shareholders in March 1936 to elect the managerial board for the period of four years. The renowned entrepreneur Moḥammad Harāti was elected as chairman of the board of directors (*ra'is-e hay'at-modira*) and CEO (*modir-āmel*), while 'Ali Hamadāniān and Ḥāj 'Abd-al-Ḥosayn Aḳawān Dehdašti were elected as deputies.

The factory was situated in the industrial suburb on the southern bank of the town's river. It was built on nearly 5 hectares of land that was known then as Bāḡ-e zerešk, the place of a Safavid mansion owned by Yusof Khan Baḳtiāri. German architects designed the buildings, and the machinery was imported from Germany (Musawi, pp. 35-37). The mill produced wool textile and blankets and began with hiring a plot of 250 workers, which grew to a peak of 1,200, including 350 women. The workers enjoyed competitive wages, complemented by health insurance and retirement (*idem*, p. 54; Maḥbubi Ardakāni, pp. 123-24). The investors were also pleased with high dividends, at least in the initial years when the textile industry was lucrative (Floor, 1984, pp. 24-25), concomitant with the state's implementation of a pro-active industrial policy and the rapid expansion of the domestic market.

Matters turned for the worse during World War II and its aftermath. The high inflation coupled with the labor movement imposed a high burden on the factory (cf. 'Ābedi, pp. 102ff.; Abrahamian, pp. 354ff.); the communist Tudeh party would encourage labor strikes, and Hamadāniān was physically beaten in a moment of outrage (Ṭāher-Aḥmadi, p. 110). On the other hand there was a long history of dispute between the company and the government on the issue of taxing. When the administration of Prime Minister Moḥammad Moṣaddeq, deprived of oil revenues, enforced tax collection in 1952 ('Ābedi, pp. 122-35), the company resisted, resulting in the confiscation of certain equipments and machinery by the government (Musawi, pp. 40-53). The Wool Industries Company experienced substantial change during the 1940s. By the end of the decade few of the original directors were still in charge, and 'Ali Hamadāniān had resigned as the CEO (*ibid*). In the early 1950s the company had a capital of 48.4 million rials and employed 900 workers and 36 other personnel. Its 6,400 spindles and 60 weaving machines had a total capacity of 1,815 horsepower and consumed annually 250 tons of Australian wool, 220 tons of domestic wool, and 360 tons of cotton of raw material ('Ābedi, pp. 112-13; cf. Maḥbubi Ardakāni, pp. 123-24).



Having been practically reduced to a mere shareholder at the *Šanāye‘-e pašm*, ‘Ali Hamadāniān plotted to make the *Šahnāz* Textile Mill an enterprise under his personal authority. For a long decade he had acquired substantial managerial and technical know-how in the production of yarn and fabric, and had also learned the political skills of competing in a tight market; that is, winning bank loans, evading taxes, and enticing the Labor Department’s auditors. Compared with his previous textile venture, the investment base of *Šahnāz* was much narrower: of the principal capital of 5,000 shares, each worth 10,000 rials, 3,900 were purchased by ‘Ali Hamadāniān himself, 900 by his brother Ḥosayn, and 200 by Ḥabib Ešrāqi, an established industrialist who had partnership in a brick factory of Laftun, north of Isfahan.

The new spinning and weaving mill was launched in 1950, with 800 workers and 13,200 spindles, consuming twelve tons of cotton and claiming a daily production of 2,150 cotton pieces (*boqča*; ‘Ābedi, p. 116; cf. Maḥbubi Ardakāni, pp. 144-45). The factory saw a gradual but steady growth within the stable economic and political conditions of those years, even with the serious work stoppage caused by the recurrent labor unrest instigated by the former Tuda Party activists. The strike of August 1963 paralyzed the factory for weeks, during which time it suffered major vandalism (Anšāri, p. 105). The machinery, imported from England, Germany, Czechoslovakia, and Japan, grew to 62,000 spindles and 1,450 weaving machines. The factory’s premises grew as large as 9.4 hectares, with 7.4 hectares of construction in 1967, four years after its founder’s death. Even when ‘Ali Hamadāniān was still alive his textile factory claimed to be the largest of its kind in the Middle East and exported fabric to the Gulf region. It manufactured 120,000 square meters of textile daily and employed 5,500 personnel (Musawi, ch. 2; see also Maḥbubi Ardakāni, p. 145, who quotes the newspaper *Eṭṭelā‘āt* no unverifiable data about the factory’s ownership and fate).

The cement mill. While *Šahnāz* was a definite success in Persian textile, the industry itself was in an overall stagnation and not very cost-competitive, and this caused ‘Ali Hamadāniān to explore other industrial fields. By the mid-1950s the country was moving forward into a phase of expanding its infrastructure and undertaking numerous construction projects in roads, dams, heavy industries, and housing, all of which required construction materials, cement being the first and foremost. There were, however, no more than four cement plants operating in Iran. The need was felt even more urgently in Isfahan, where construction of the first Kuhrang dam-and-tunnel



had just been completed and an expansion of irrigation infrastructure and heavy industries was projected (see [ISFAHAN xiv](#)).

Having foreseen the potential for a cement market in Isfahan and having learned about the accessibility of raw materials, the nearby gypsum mines in particular, 'Ali Hamadāniān initiated the Isfahan Cement Company (Šerkat-e simān-e Ešfahān) in 1955. The initial investors were the Hamadāniān family, Charles Kataneh and his wife, the local Amin family, and the Qajar Prince Šārem-al-Dawla, who chaired the board of directors. As the initial capital of 106 million rials was found insufficient, the company sought a loan from the International Monetary Fund in New York, but because the latter's conditions were assessed unrealistic, the venture turned to domestic banks, eventually securing a forty-million-rial loan from Bank Melli Iran. Central to overseeing the international liaisons and later the construction was the company's CEO, Moḥammad-Rezā Amin, who would go on to become the national minister of economy. It took nearly three years to build the mill on 300 hectares of land near Zāyandarud, a few miles upstream from the city. A Danish contractor carried out the construction of the mill, and the Polysius of Germany supplied the machinery. The mill was officially inaugurated in October 1958 by the prime minister (reported in *Eṭṭelā'āt*, 24 Šahrivar 1337; [Figure 2](#)).

The Isfahan Cement Company became a successful private business. Its profitability margin was quite high from early on: it returned 60 percent of the initial investment in less than three years of operation. The mill's expansion was carried on in several phases, in the face of its rival, the state-owned cement factory (Āryāmeh̄r Cement Plant, now Simān-e Sepāhān; [Figure 3](#)) that was founded a decade later in conjunction with the Isfahan steel mill (Musawi, ch. 3). By the fourth phase of expansion, the Isfahan Cement Company had more than 500 employees and had enhanced its initial kiln, with a daily output of 200 tons, to three kilns with a total capacity of 2,300 tons (Šerkat-e simān-e Ešfahān, p. 6; cf. Baḳtiāri, p. 13). In 2003, when there were 36 cement plants operating across the nation, the Isfahan Cement Company had an annual capacity of 1,036,000 tons, constituting 3.5 percent of the national total, with an output of 3.2 percent and export of 317,000 tons (2.5 percent; see [CONSTRUCTION MATERIALS INDUSTRY](#)).

The sugar refinery. One of the rapidly growing industries in Iran in the 1960s and 1970s was sugar, and this was due to an increased consumption on account of the growth in population as well as increased per capita consumption. Before the private sector took the initiative, much of the



domestically consumed sugar was imported and the rest was largely produced by some half dozen state-run factories. Most of these factories processed sugarcane cultivated in Khuzestan. In Isfahan, although a 19th-century attempt to sow sugarcane had failed, the region was found suitable for sugar beet farming. Isfahan, however, had until then remained totally dependent on imported sugar.

To meet this need, two private sugar refineries were established in the midst of beetroot farms near Isfahan, with the function of processing the sugar beet into sugar, beet refuse, and molasses. The first refinery was launched in 1961 in the township of K̄vorāsgān, east of the city. The second was initiated by Ḥosayn Hamadāniān in 1966 as Šerkat-e saḥāmi-e qand-e Naqšejahān. The two enterprises were initially engaged in disparaging competition, but eventually the major investor of the K̄vorāsgān mill, Šolṭān-Morād Baḳtiāri, came to partnership with Hamadāniān (Maḥbubi Ardakāni, pp. 371-72; Musawi, ch. 4).

The Naqšejahān sugar factory was built with Polish technical assistance from the vicinity of Dehsork, a village 40 km south of Isfahan. The mill's construction was supplemented by a modern residential complex for the employees, with an infirmary, school, and gymnasium, and spread on a ten-hectare plot of land. The mill's daily beetroot intake of 1,500 tons was purchased from some 3,000 middlemen, and provided a perennial market for the farmers in the fertile plain of Lenjān in the Zāyandarud basin (ibid). Naqšejahān's sugar production has remained fairly invariable; it is about a third of the output of the sugar refinery in K̄vorāsgān. The two sugar mills of Isfahan produced 53,000 tons of sugar in 1971, amounting to roughly 8 percent of national sugar consumption (Kayhan Research Associates, p. 504).

The Endowment. The philanthropic foundation named after the two brothers (Mo'assesa-ye kayriya-ye 'Ali o Ḥosayn-e Hamadāniān) was founded by Ḥosayn Hamadāniān in 1965, less than two years after the death of 'Ali Hamadāniān, aiming to prevent the fragmentation of their shared fortune through inheritance to their siblings (Musawi, p. 194). The government initially showed strong support for the cause, but refused to grant the foundation tax exemption, on account of the unlimited personal authority the founder enjoyed, including the option to revoke the foundation (idem, pp. 114, 145). This was the beginning of a recurrent quarrel between the foundation and various administrations and governmental bodies, both before and after the Islamic Revolution. The real motives behind the disputes are described but very poorly and—understandably—ambiguously, and the fate of the endowed



assets has remained a mystery under the Islamic Republic.

A new charter was drafted for the Foundation by Tehran's *emām-jom'ā*, Sayyed Ḥasan Emāmi (q.v.), in 1975. According to this document the board of trustees (*hay'at-e omanā*) comprised of the president of the Supreme Court, the provincial governor (*ostāndār*) of Isfahan, the president of Isfahan University, the director general of Bank Melli Iran, the president of Isfahan's provincial court, and two individuals appointed by the endower. Some half of the endowment's income would be spent on educational and cultural matters, a quarter on healthcare, and 15 percent on religious causes (cf. Musawi, pp. 106-13). The foundation's assets valued some 8 to 9 billion rials, or over \$100 million (for a list of the assets, see Musawi, Appendix 3). The charter continued thereafter to undergo readjustments; the version drafted in January 1977 expanded the board of trustees to ten individuals, to include the appointees of the Royal Organization for Public Services (*Sāzmān-e šāhanšāhi-e kadamāt-e ejtemā'i*). Notwithstanding these changes, the trustees of the Foundation, prior to the Islamic Revolution, are said to have spent its income in accordance with its charter (Anšāri, pp. 107-08).

Under the Islamic Republic, a new board of trustees, mostly *bāzāri* merchants, was appointed by Isfahan's *emām-jom'ā*, Ayatollah Ḥosayn Kādemi (*Ṭufān*, no. 83, 28 Mehr 1361/October 1982, apud Musawi, p. 152). Soon after the latter's death in 1985, Ḡolām-Ḥosayn Karbāsči, the provincial governor of Isfahan, is said to have succeeded in restoring the 1975 charter by winning approval from Ayatollahs Ḥosayn-'Ali Montazeri and Ruḥallāh Komeyni (*Awliā*', no. 1619, 9 Ābān 1364/1985, apud Musawi, p. 153). A history of the charter is summarized in Montazeri's report to Khomeini, dated 9 November 1985 (Montazeri, I, p. 492; II, p. 936). In 2000, however, a decree from the supreme leader of the Islamic Republic, Ayatollah Sayyed 'Ali Kāmene'i, re-established the very first charter (dated 1965) and bestowed full authority to Ayatollah Sheikh Ḥosayn Mazāheri, the president of Isfahan seminary (*ḥawza-ye 'elmiya; since 1995*), to run the Foundation (Musawi, p. 153).



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This article is partly based on an unpublished manuscript by Moḥammad-‘Ali Musawi-Fereydani (see below) on the biography of the Hamadāniān brothers. The work, commissioned by the Hamadāniān Foundation, is written based on the archives of the Foundation and the factories owned by the Hamadāniāns, and on the facts sought through the author’s interviews with key managers and partners of the factories. In addition, this article has made occasional use of the materials published on Isfahan Cement Company’s (ICC) website (isfahancement.com). On the other hand, Bāqer Āqeli’s (pp. 1762-66) articles on ‘Ali Hamadāniān and Ḥosayn Hamadāniān were ignored altogether, on the grounds that they present no evidence for their dubious statements which are found nowhere else.

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