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Etienne FORESTIER-PEYRAT

**RED PASSAGE TO IRAN:
THE BAKU TRADE FAIR AND THE UNMAKING OF THE
AZERBAIJANI BORDERLAND, 1922–1930***

On September 15, 1922, the red flag was raised on the Caspian shore to celebrate the opening of the first Baku trade fair. Even though a commercial fair had existed in the city since the 1880s, it was a relatively minor event.¹ Now, the fair was to be integrated in the global strategy of the new Bolshevik regime toward the Muslim East. A year later, in 1923, the chairman of the Azerbaijani Council of People's Commissars, Gazanfar Musabekov, made this strategy plain: "Azerbaijan is a door wide open on the East and a carrier of socialist revolutionary ideas to backward peoples of the Orient."² His statement referred to the hopes of the world revolution starting in the

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¹ Azərbaycan Respublikası Dövlət Arxivi (State Archive of Azerbaijan, ARDA). F. 349. Op. 1. D. 14. L. 8, quoted in Yashar Zakir Ogly Abdullaev. *ZSFSR v razvitii Sovetsko-Iranskikh otnoshenii, 1922–1928 gg.* Baku, 1986. P. 45; Mikhail Katkov. *Sobranie peredovykh Moskovskikh Vedomostei.* Moscow, 1898. Vol. 23. Pp. 213-214; in 1885, the *Times* mentioned a project to establish a bigger fair in Baku: *The Russians in Central Asia // The Times.* 1885. 11 February. P. 5.

² Gazanfar Musabekov. *Doklad o deiatel'nosti pravitel'stva Azerbaidzhanskoi SSR, sdelannyi 26 noiabria 1923 g. na III Vseazerbaidzhanskom s"ezde Sovetov // Gazanfar Musabekov. Izbrannye stat'i i rechi.* Vol. 1: 1920–1927 gg. Baku, 1960. P. 86; Dietrich

East, still fostered by the Komintern and leading Party activists. Beyond this utopian dimension, it had another, more descriptive meaning. Since its integration to the tsarist empire in 1828, Russian Azerbaijan had remained tightly connected to the Middle East and, above all, Northern Iran.³ This connection was economic, demographic, cultural, and intellectual. The constitutional revolution of 1906–11 in Iran demonstrated that it could also be political, as Caucasian revolutionaries took an active part in supporting the constitutionalist movement until its suppression by Russian forces.⁴ In a way, all that the Bolshevik leaders in the Caucasus and Moscow had to do was to harness this existing hub and tailor it to their own ends. Revolutionary ideas would travel along old commercial routes, together with goods and merchants, from Baku to Iran, Afghanistan, or Turkey.

The new Soviet regime did not limit itself to taking up and adapting existing spatial configurations and networks. My argument is that the interwar period witnessed a radical transformation of the geography of Soviet borderlands. This *spatial revolution* paralleled the socialist remodeling of society.⁵ In the Caucasus and Central Asia, the spatial aspect of the revolution was at first more effective than the socialist one. Whereas the social and cultural structure of autochthonous societies could not be entirely overhauled over a few years, the Soviet state succeeded in effectively severing the transimperial and transnational connections these regions had with the wider Muslim world.⁶

Geyer. Die Sowjetunion und Iran – Eine Untersuchung zur Aussenpolitik der UdSSR im Nahen Osten. Tübingen, 1955. P. 32.

³ Marvin L. Entner. *Russo-Iranian Commercial Relations, 1828–1914*, Gainesville, 1965; S. S. Ostapenko. *Persidskii rynek i ego znachenie dlia Rossii*. Kiev, 1913; G. I. Ter-Gusakov. *Ekonomicheskie i politicheskie interesy Rossii v Persii*. St. Petersburg, 1916; Firuz Kazemzadeh. *Russia and Britain in Iran, 1864–1914: A Study in Imperialism*. New Haven, 1968.

⁴ Hourii Berberian. *Armenians and the Iranian Constitutional Revolution of 1905–1911: The Love for Freedom Has no Fatherland*. Boulder, 2001; Iago Gocheleishvili. *Introducing Georgian Sources for the Historiography of the Iranian Constitutional Revolution (1905–1911)* // Houchang E. Chehabi, Vanessa Martin (Eds.). *Iran's Constitutional Revolution. Popular Politics, Cultural Transformations and Transnational Connections*. London and New York, 2010. Pp. 45-68; Moritz Deutschmann. *Cultures of Statehood, Cultures of Revolution: Caucasian Revolutionaries in the Iranian Constitutional Movement, 1906–1911* // *Ab Imperio*. 2013. No. 2. Pp. 165-190.

⁵ Insights into the spatial implications of Stalinism can be found in Evgeny Dobrenko, Eric Naiman (Eds.). *The Landscape of Stalinism. The Art and Ideology of Soviet Space*. Seattle and London, 2003; Marie-Claude Morel. *Territoire et stratégies soviétiques*. Paris, 1982.

⁶ Numerous books and articles have been devoted to this issue. See, for example, Eva-Maria Auch. *Muslim-Untertan-Bürger. Identitätswandel in gesellschaftlichen*

Soviet communism reshaped the mental map of the Caucasus by tightly linking it to Russia. The tsarist regime had partially initiated this extraction of Russian Azerbaijan from its Middle Eastern environment, but never came to the point of breaking the connection between the “two Azerbaijan,” to use Tadeusz Swietochowski’s term.⁷ The Soviet spatial revolution should not, however, be associated simply with the sealing off of the border.⁸ The Asian border was not effectively secured until the mid-1930s. In the 1920s, the spatial revolution was above all about taking under control, transforming, and reshaping the existing border institutions. In the Caucasus, the establishment of the Baku trade fair can be interpreted as such an attempt to take control of transborder relations with Iran and other Muslim countries.

This attention to the spatial dimension of the communist transformation, which has been studied by scholars dealing with internal Soviet politics (focusing on issues such as national demarcations, building of new cities, upheavals in the countryside), points to a wider theoretical issue.⁹ In a seminal essay concerning “imperial formations,” Ann Laura Stoler and Carole McGranahan remind us that empires are “ongoing polities of dislocation, dependent on refiguring spaces and populations.”¹⁰ From that point of view, the early Soviet regime could indeed be classified as an imperial formation. Obviously, not all actors involved in this imperial refiguring had the same conception of the way the Soviet space was to be remade. This was especially true in the new Bolshevik Caucasus. There, the existence of a complex federal structure from 1922 to 1936, topped by the Transcaucasian Soviet Federative Socialist

Transformationsprozessen der muslimischen Ostprovinzen Südkaukasiens. Wiesbaden, 2004; Ada Holly Shissler. *Between Two Empires. Ahmet Ağaoğlu and the New Turkey*. New York and London, 2003; Christian Noack. *From Ancestry to Territory – Spatial Dimensions of Muslim Identity in Imperial Russia // Ab Imperio*. 2006. No. 2. Pp. 81-100.
⁷ Tadeusz Swietochowski. *Russia and Azerbaijan: A Borderland in Transition*. New York, 1995; see also Touraj Atabaki. *Azerbaijan. Ethnicity and the Struggle for Power in Iran*. London and New York, 2000; Raoul Motika, Michael Ursinus (Eds.). *Caucasia between the Ottoman Empire and Iran, 1555–1914*. Wiesbaden, 2000.

⁸ For a useful, but now somehow outdated overview, see Andrea Chandler. *Institutions of Isolation*. Montreal and London, 1998.

⁹ Arne Haugen. *The Establishment of National Republics in Soviet Central Asia*. Basingstoke and New York, 2003; Francine Hirsch. *Empire of Nations: Ethnographic Knowledge and the Making of the Soviet Union*. Ithaca and London, 2005; Adrienne Lynn Edgar. *Tribal Nation: The Making of Soviet Turkestan*. Princeton, 2004; Svetlana Gorshenina. *Asie centrale. L’invention des frontières et l’héritage russo-soviétique*. Paris, 2012.

¹⁰ Ann Laura Stoler, Carole McGranahan. *Refiguring Imperial Terrains // Ab Imperio*. 2006. No. 2. Pp. 24-25; see also Eric Tagliacozzo. *Secret Trades, Porous Borders, Smuggling and States Along a Southeast Asian Frontier, 1865–1915*. Singapore, 2007.

Republic (ZSFSR), ensured a high degree of regional autonomy in the 1920s, but also an abundance of numerous internal contradictions.¹¹ For Caucasian leaders, relationships with the neighboring states of Turkey and Iran were part of their prerogatives, and they had an objective interest in maintaining a regional management of cross-border interactions, through various forms of “multilayered diplomacy.”¹² The Transcaucasian leadership had to contend and negotiate with both the regional authorities, in the three socialist republics of Georgia, Azerbaijan, and Armenia, and the central government, in Moscow. The result of the spatial revolution in the Caucasus was eventually the dwindling of cross-border relations. This was not a linear process, but the outcome of conflicts and opposing interests.

This conflict process will be approached through the prism of the Baku trade fair, which was one of the border institutions, whose successive evolutions contributed to the unmaking of the Caucasian borderlands. Playing a prominent role in both internal and external trade, the fair connected Transcaucasia and other Soviet republics with the Muslim East and became an important manifestation of the New Economic Policy (NEP).¹³ It was a major venue for importing Iranian raw materials and agricultural products, and exporting Soviet manufactures. From the very beginning, the fair provoked heated debates. As one can expect, ideological objections were central to what appeared to be a mix of precapitalist and capitalist practices.¹⁴ Most important, however, the fair became a contested political resource claimed by several leaders in the Caucasus locked in rivalry over influence in the

¹¹ General Soviet-era accounts of the Transcaucasian federal experiment can be found in S. V. Kharmandarjan. *Splochenie narodov v stroitel'stve sotsializma* (Opyt ZSFSR). Moscow, 1982; R.A. Gevondjan. *Konstitutsionnoe stroitel'stvo v Zakavkazskoi federatsii* (1922–1936 gg.). Erevan, 1981; F. F. Kasim-Zade. *Druzhiba i bratskoe sotrudnichestvo sotsialisticheskikh natsii Zakavkaz'ia*. Baku, 1961; E. A. Skripilev (Ed.). *Sovetskoe gosudarstvo i pravo v period stroitel'stva sotsializma* (1921–1935 gg.). Moscow, 1968. Pp. 77-84.

¹² See Brian Hocking. *Localizing Foreign Policy. Non-Central Governments and Multilayered Diplomacy*. New York, 1993; for an early study of Soviet “para-diplomacy,” see Vernon V. Aspaturjan. *The Union Republics in Soviet Diplomacy – A Study of Soviet Federalism in the Service of Soviet Foreign Policy*. Genève and Paris, 1960.

¹³ In Western historical literature, the Baku fair is barely mentioned. See for example E. H. Carr. *Socialism in One Country, 1924–1926. Part 2*. New York, 1958. P. 634. Soviet Azerbaijani historians devoted more attention to it from a strictly economic point of view, and without much conceptual treatment.

¹⁴ I. B. Orlov. *Problemy edinoi ekonomiki* // S. A. Pavliuchenkov (Ed.). *Rossia nepovskaia*. Moscow, 2002. Pp. 150-165; Arup Banerji. *Merchants and Markets in Revolutionary Russia, 1917–1930*. Basingstoke and New York, 1997; Marjorie L. Hilton. *Selling to the Masses: Retailing in Russia, 1880–1930*. Pittsburgh, 2011.

region.¹⁵ Archival sources used for this research are essentially drawn from the regional archives containing documents of the Transcaucasian authorities. They are complemented by other Soviet, Western, and Iranian documents tracing the rise of the Baku fair to the role of a major partner in trade with Iran until 1926, and its subsequent crisis and demise by 1930.¹⁶ The story of the Baku fair shows that the formation of the Soviet society was not just an internal affair, but involved a major restructuring of the Transcaucasia region – both as a fairly integrated economic system and as an object of mental geography. To create socialist Azerbaijan, the border with its southern neighbors had to be sealed, in order to envision this fragment of a larger historical region as an entity in its own right as well as to impose a particular socioeconomic regime there. At the same time, transnational trade was indispensable to the Soviet economy in the 1920s. The Soviet authorities were torn between these two contradictory imperatives, and they struggled to solve the problem of sustaining economic ties across the increasingly solidified border, both symbolic and material.

Azerbaijani autonomy and the birth of the Baku fair

World War I drew a dividing line in the history of the Caucasus. Military operations extended not only to the Russo-Ottoman border in Eastern Anatolia but also to Iran, where a politically intricate situation developed against the backdrop of the proclaimed neutrality of Iran.¹⁷ Its Northwestern

¹⁵ The Transcaucasian federation remains too easily dismissed as a sham in historiography. Ronald Grigor Suny speaks about a “pseudo-federal system” in *Looking Toward Ararat: Armenia in Modern History*. Indianapolis, 1993. Pp. 140-142. See also Richard Pipes. *The Formation of the Soviet Union: Communism and Nationalism, 1917–1923*. Cambridge, MA, 1964. P. 254; for general information on Soviet federalism see Terry Martin. *The Affirmative Action Empire. Nations and Nationalism in the Soviet Union, 1923–1939*. Ithaca and London, 2001; Friedrich-Christian Schroeder and Boris Meissner (Eds.). *Bundestaat und Nationalitätenrecht in der Sowjetunion*. Berlin, 1974; a rather theoretical approach in Tania Raffass. *The Soviet Union: Federation or Empire?* London and New York, 2012.

¹⁶ For unknown reasons and despite repeated requests, I have been denied access to Azerbaijani archives. My references to them are limited to quotations made by other authors and information kindly transmitted by Azerbaijani and foreign researchers. As for central Soviet archives, the Russian State Archive of Economics (RGAE) in Moscow contains documents related to the Baku fair in its funds 413 (Russian People’s Commissariat for Foreign Trade) and 8151 (Russian People’s Commissariat for Internal Trade).

¹⁷ Touraj Atabaki (Ed.). *Iran and the First World War. Battleground of the Great Powers*. London, 2006. Pp. 163-180; Oliver Bast (Ed.). *La Perse et la Grande Guerre*, Tehran, Institut français de recherche en Iran, 2002.

provinces served as ground for the rivalry of the belligerent countries. Old trading networks collapsed due to the severed border regime imposed by the tsarist government, and to compensate for this, contraband thrived. The periods of Caucasian independence and Civil War, from 1918 to early 1921, dealt another blow to transborder regional connections, by raising new barriers, disorganizing the infrastructure, and ruining the economy. Menshevik Georgia did try to negotiate with nationalist Azerbaijan conventions on railways, visas, and trade, but they remained largely dead letters.¹⁸ National antagonisms, land and border conflicts between the three Caucasian republics constituted a major obstacle to commercial integration. As an alternative to Caucasian unity, Azerbaijani leaders strove to intensify relationships with Iran, but the Sovietization of Azerbaijan in late April 1920 put an end to this diplomatic initiative.¹⁹

Sovietization did not mean the immediate loss of independence, as Bolshevik leaders initially employed the imperial practice of manipulating “degrees of sovereignty.”²⁰ The relative autonomy of Azerbaijan relied on, and manifested itself through, the still existing transnational space that connected Azerbaijan to the new Kemalist Turkey and Northern Iran. The Azerbaijani Revolutionary Committee proclaimed the monopoly on foreign trade in August 1920, but at the same time sought to revitalize commercial contacts with Northern Iran and Turkey.²¹ In March 1921, the committee dispatched three trade missions with extended credit lines to Northern Iran to buy food and daily-use commodities. Famine was rife in the Russian Federation, and the central Bolshevik government hoped to procure the much-needed food from Iran. But the Azerbaijani rulers were no less concerned about the needs of their own republic, so Azerbaijani and Russian trade officials dispatched to Northern Iran clashed endlessly in 1920–21 over procurement priorities. At times, the Transcaucasian authorities ignored

¹⁸ See, for example, archives of the Georgian legation in Baku: Sak’artvelos Saistorio tsentraluri ark’ivi (Georgian Central Historical Archive, SSTsA). F. 1867. Op. 1. D. 30, and 31; Op. 2. D. 3, 8, and 15.

¹⁹ On the attempt to develop links between late Qajar Iran and the independent Caucasian states, see Kavah Bayat. *Tûfân bar farâz-i Qafqâz: nigâhî bih munâsabât-i mintaqah’î-i Irân va gumhûrî’î-hâ-yi Azarbayjan, Armanistân va Grujîstân dar dawrah-i nukhust-i istiqlâl-i 1917–1921*. Teheran, 2001; Rizâ Âzarî Shahrizâyî (Ed.). *Hî’at fawq al-‘âdah-i Qafqâziyah*. Teheran, 2000.

²⁰ Ann Laura Stoler. *On Degrees of Imperial Sovereignty // Public Culture*. 2006. Vol. 18. Pp. 125-146.

²¹ Q. H. Bünyadov. *Bərpa dövründə (1921–1925-ci illər) Azərbaycanda Sovet ticarətinin yaranması və inkişafı*. Baku, 1971. Pp. 87-88; Vasif Qafarov. *Türkiyə-Rusiya münasibətlərində Azərbaycan məsələsi (1917–1922)*. Baku, 2011.

Moscow's decrees on external trade altogether, blocking goods bound to Russia at the border, which provoked furious protests from the local representatives of Russian Federation trade agencies.²²

The creation of the Baku fair was the central element of the attempt to restore the Transcaucasian networks that were disrupted in 1914–20.²³ It was also a powerful political argument, using the advantages of the border situation of Azerbaijan within the new Bolshevik state to enhance the republic's importance and the influence of its leaders. On May 13, 1922, the head of the Baku economic commission, Volodia Parushin, chaired a conference of local economic organizations, which discussed the possibility of creating a full-fledged fair in the city. The initiative was backed by Baksovet (the Baku City Council), and aimed at transforming the city into a hub of middle eastern trade.²⁴ Participants in the conference and follow-up meetings pointed to numerous problems impeding the project. The state monopoly on foreign trade was criticized as the major obstacle to economic contacts with Iran. The Moscow-based People's Commissariat of Foreign Trade (NKVT, Vneshtorg), which de facto had a say in the foreign trade of all Soviet republics, was the butt of criticism for its adamant refusal to lift the monopoly on kerosene, sugar, and other commodities sought after in Iran.²⁵ Another problem involved the protectionist policies of some Soviet republics that controlled the flow of goods across their borders. Turkestan was a popular target of this criticism, which also pointed implicitly to neighboring Armenia and Georgia.²⁶

The conflicts of interests became apparent when Vneshtorg attempted to secure control over trade with Iran. At the end of May 1922, representatives of Vneshtorg and the Baku fair committee were invited to the Central

²² Obviously, similar incidents still occurred in early 1923. See Letter from Shumiatskii to the Transcaucasian Union Council, with a copy to Stalin, Karakhan, and Frumkin, January 6, 1923 // Sakartvelos uakhlesi istoriis tsentraluri arkivi (Central State Archive for Contemporary History of Georgia, SUIA). F. 617. Op. 1. D. 67. L. 45.

²³ The revival of fairs and exhibitions characterized post-World War I Europe, signifying creation of a new economic geography after the dramatic reconfiguration of political borders. See Alexander C. T. Geppert. *Welttheater: Die Geschichte des europäischen Ausstellungswesens im 19. und 20. Jahrhundert. Ein Forschungsbericht // Neue Politische Literatur*. 2002. No. 1. Pp. 10-61; Janet Ward. *Weimar Surfaces: Urban Visual Cultures in 1920s Germany*. Berkeley, 2001. Pp. 50-51.

²⁴ Protocol of the Baku fair committee, May 13, 1922 // SUIA. F. 735. Op. 1. D. 493. L. 4.

²⁵ Protocol of the Baku fair committee, May 27, 1922 // SUIA. F. 735. Op. 1. D. 493. L. 6.

²⁶ Protocol of the Transcaucasian Soviet, under Narimanov's chairmanship, 12 October 1922 // SUIA. F. 735. Op. 1. D. 294. L. 9; Baku Fair Committee. *Bakinskaia iarmarka 1922 goda. Otchet komiteta*. Baku, 1922. Pp. 8-9.

Committee of the Azerbaijani Communist Party. The delegate of the fair committee, Novikov, argued in favor of partially lifting the monopoly so as to allow trade with Iran. However, the Central Committee ceded to pressure from the central government agency (Vneshtorg) and declared that since the presence of Iranian merchants at the fair was unlikely, and because the “coincidence in time of the Baku and Nizhegorod fairs could have a negative impact on the Nizhny Novgorod fair,” the Baku fair should not be opened in 1922.²⁷ This decision evoked sharp debate among the fair organizers. In view of its geographical situation on the Caspian littoral, Baku appeared to be the “natural place” to connect Northern Iran with Transcaucasia and other Soviet republics. After much debate, the majority resolved to cancel the fair for 1922, and instead to better prepare for 1923. However, the newly elected president of the Transcaucasian SFSR, Nariman Narimanov, became furious as he learned of the decision, and demanded that the fair should take place, “in view of its tremendous economic relevance for the region.” A major political figure in Transcaucasia and the front man of Azerbaijani “national communism,” Narimanov insisted at a session of the Caucasian Party Bureau that Azerbaijan should hold the fair and retain its autonomy in foreign trade relations.²⁸ This intervention overruled the initial decision by the Azerbaijani Central Committee that had been forced upon it by Moscow lobbyists.

In their struggle for control over transborder trade, leaders of Azerbaijan had to negotiate an alliance with the newly established Transcaucasian authorities as intermediaries in their dealing with Moscow. In March 1922, the interrepublican Transcaucasian People’s Commissariat of Foreign Trade (ZNKVT) was established, and took over the functions of the former republican Commissariats of Foreign Trade, but was subordinate to the central NKVT.²⁹ The Georgian capital, Tiflis (Tbilisi), which, at the same time, was the capital of the ZSFSR, became an intermediary between Baku and Moscow. The coalition between Tiflis and Baku ensured the implementation by the time of the fair of the new “Asian tariff” passed on April 23, 1922, by the Moscow NKVT. It contained reductions compared to the European

²⁷ Protocol No. 4 of the Baku fair committee, May 28, 1922 // SUITA. F. 735. Op. 1. D. 493. L. 8.

²⁸ Protocol No. 5 of the Baku fair committee, May 30, 1922 // SUITA. F. 735. Op. 1. D. 493. L. 9; Suha Bolukbaşı. *Azerbaijan, a Political History*. London and New York, 2011. Pp. 38-39.

²⁹ It was called the Obvneshtorg, and later Zaknarkomvneshtorg (ZakNKVT). In August 1922, the operational part of the Obvneshtorg – entrusted with carrying foreign trade – was carved out of the commissariat to create the Zavgostorg. For details, see Q. H. Bünyadov. *Bərpa dövründə*. P. 91.

tariff and was intended to convey the Bolsheviks' intention to help Asian countries escape the capitalist world system.³⁰ The Transcaucasian Commissariat for Trade proved to be an invaluable partner, as it had more weight in negotiations with Moscow than former republican agencies.³¹ In early September 1922 the customs situation was clarified, when the Transcaucasian Commissar for Foreign Trade, Mamed Gasan Gadzhinskii, and the plenipotentiary of the Moscow NKVT in Tiflis, M. I. Frumkin, confirmed that the Asian tariff was to be applied.³² Frumkin later confirmed that the foreign trade monopoly would be suspended for numerous goods during the fair, allowing Iranian merchants and private companies to benefit from participating in it.³³

The arduous prehistory of the first Baku fair partially explains its ultimate failure. Local newspapers featured uninspiring reports about commercial activity at the fair. The Berlin emigrant newspaper *Dni* published a very negative account of the fair on May 7, and explained the sluggish commerce by the mutual lack of trust among the participants.³⁴ The local Iranian community had been heavily stricken by nationalizations and confiscations during the Civil War and felt strong resentment toward the Soviet regime.³⁵ It remained heavily suspicious of the New Economic Policy and the proclaimed freedom of trade at the fair. Propagandist efforts by the fair committee and Azerbaijani agents in Northern Iran apparently had little effect.³⁶ There was

³⁰ It was itself subdivided into two categories: one for goods imported across the Afghan, Chinese, and Mongol borders, as well as from Iran to Turkestan; another for goods imported through the Iranian and Turkish borders to Transcaucasia. The first category was more advantageous; see the Decision of the Sovnarkom RSFSR on the Asian customs tariff, April 23, 1922 // SUITA. F. 735. Op. 1. D. 493. L. 34-35.

³¹ Telegram from the Zaknarkomvneshtorg (NKVT ZSFSR) to the Russian NKVT, undated (June 1922) // SUITA. F. 735. Op. 1. D. 295. L. 12; Vladimir Serov. *Spravochnik Bakinskoi iarmarki*. 1924 god. Baku, 1924. Pp. 3-4.

³² Telegram from Gadzhinskii and Frumkin to Musabekov, president of the Azerbaijani Sovnarkom, September 6, 1922 // SUITA. F. 735. Op. 1. D. 493. L. 69.

³³ Protocol No. 12 of the Baku fair committee, August 11, 1922 // SUITA. F. 735. Op. 1. D. 493. L. 20.

³⁴ Quoted in Joseph Castagné. *Russie Slave et Russie Turque* // *Revue du monde musulman*. 1923. December. Vol. 56. Pp. 233-234.

³⁵ The Iranian government demanded indemnities for this loss, and negotiations continued until 1925-26. Mahmud Tâherahmadi. *Ravâbit-e Irân o Shuravi dar dowre Rizâ Shâh*. Teheran, 2006. P. 149.

³⁶ Sir P. Loraine to Lord Curzon, Tehran, September 25, 1922 // Public Record Office (PRO). FO 416/71. P. 201; Baku Fair Committee. *Bakinskaia iarmarka 1922 goda*. P. 24; Protocol No. 6 of the Baku fair committee, undated (end of July 1922) // SUITA. F. 735. Op. 1. D. 493. L. 15 and ARDA. F. 349. Op. 1. D. 24. L. 9-10.

simply too much uncertainty regarding the rules of the game established by the Soviets: commercial privileges promised to fair participants had been constantly modified, canceled, then restored again, and the list of goods they were allowed to export or import constantly changed.³⁷ Iranian traders were also frustrated by the strict regulations of currency transactions imposed by the Soviet side, in stark contrast to the overly liberal policies of the imperial government. Soviet experts agreed that political volatility had played its role in the fiasco of the fair, but put the main blame on the ongoing civil war in Anatolia that prevented Turkish and European goods from being part of the fair.³⁸ Uncertainty and distrust thus had both domestic and foreign origins.

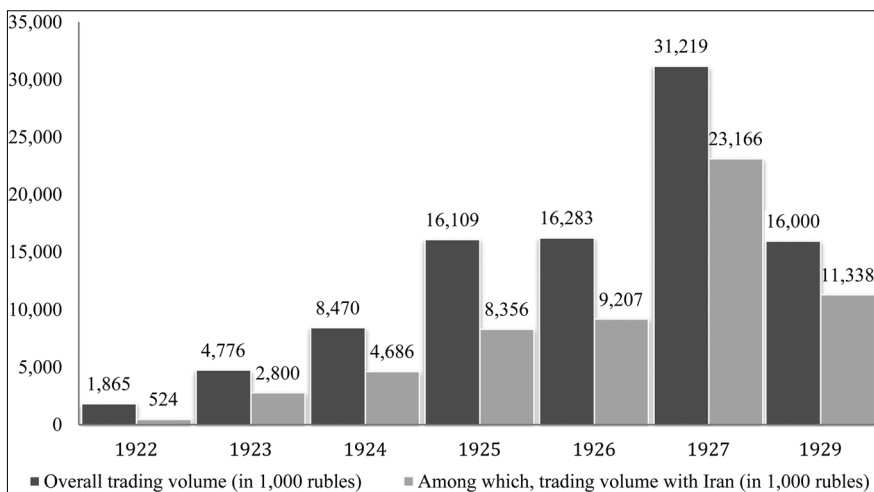


Fig. 1. Growth of the trading volume at the Baku fair, 1922–1929.³⁹

³⁷ Such were the factors mentioned by the Iranian diplomatic representation in Azerbaijan in a letter to the Transcaucasian Foreign Ministry, along with problems of arbitrary confiscations and detainments at the border. See SUITA. F. 735. Op. 1. D. 292. L. 27.

³⁸ Letter from the NKVT ZSFSR to Slavin, December 19, 1922 // SUITA. F. 735. Op. 1. D. 292. L. 3.

³⁹ Sources: VSNKh SSSR o Bakinskoi iarmarke // Bakinskii Rabochii. 1925. February 13. No. 34 (1356). P. 4; S. Zelenskii. Perspektivy shestoï Bakinskoi iarmarki // Ekonomicheskii vestnik Zakavkaz'ia. 1927. February 15. No. 4. Pp. 45-50; Novye zadachi Bakinskoi iarmarki // Zaria Vostoka. 1927. December 30. No. 1665. P. 1; Bakinskaia iarmarka 1927 goda. Otchet komiteta. Baku, 1927; Ümum şuralar ittifaqı yarmarkasının növbəti məsələləri // İktisadi Həbərlər. 1929. No. 1 (119); Zakrylas' VII-aia Bakinskaia iarmarka // Bakinskii Rabochii. 1929. April 16. No. 87 (2951). P. 1.

“A carrier of socialist ideas...”

Enjoying the full support of the Azerbaijan Communist Party, the fair organizers did not give up after the initial fiasco, and subsequent annual fairs proved to be increasingly successful. The trade volume grew from 4.8 million rubles in 1923 to 16.1 million rubles in 1925 and 31.2 million in 1927 (fig. 1).⁴⁰ The fair accounted for 9 percent of total Soviet trade with Iran in 1924, but 27 percent by 1927, which is even more remarkable given the upsurge of bilateral trade. The fair was instrumental in restoring the pre-war level of Russian exports to Turkey, Iran, and Afghanistan. At the same time, it was a major international venue for cross-cultural contacts and for spreading political influence. Azerbaijani politicians, who vied for autonomy within the Transcaucasian Federation and for leadership among the Muslim peoples of the Soviet Union at large, were keen on developing links with the Middle East, as it raised their international profile and provided them with political resources. With the onset of the policy of “affirmative action empire” in the early 1920s, Baku became a showcase for the transformation of the “Soviet East” and the flagman for the Turkic peoples, even those from regions with rich Muslim cultural traditions such as Crimea or the Tatar Autonomous Republic. After serving as a venue for the Congress of the Peoples of the East in September 1920, Baku gained a new role as the politics of the export of revolution gave way to the stake on compromise with Reza Khan’s regime in Iran, and the peaceful expansion of the Soviet sphere of influence.⁴¹ Baku assumed the role as political and cultural nexus for projecting Soviet sway to the Middle East. The Azerbaijani government was instrumental in setting up the First Turcological Congress in Baku on December 29–30, 1926, gathering scholars from all Turkic republics of the Soviet Union, as well as from Turkey, Iran, and Europe.⁴² The congress

⁴⁰ Official Soviet sources on the fair contain numerous discrepancies in figures, which are sometimes impossible to reconcile. Cross-checking and comparisons have allowed the identification of the most plausible figures.

⁴¹ Oliver Bast. *The Council for International Propaganda and the Establishment of the Iranian Communist Party* // Touraj Atabaki (Ed.). *Iran and the First World War*. Pp. 163-180; Solmaz Rüstəmovə-Tohidi. *Komintərnin Şərq siyasəti və İran 1919–1943*. Baku, 2001. Pp. 105-141; Cosroe Chaqueri. *Communism in Iran to 1941* // *Encyclopaedia Iranica*. 1993. Vol. VI. Fasc. 1. Pp. 95-102.

⁴² Türk Dil Kurumu. *1926 Bakü türkoloji kongresinin 70. yıl dönümü toplantısı (29–30 kasım 1996)*. Ankara, 1999; Andreas Frings. *Playing off Moscow against Kazan. Azerbaijan Maneuvering to Latinization in the Soviet Union* // *Ab Imperio*. 2009. No. 4. Pp. 249-316.

participants discussed not only themes related to Soviet republics but also the reforms under way in Turkey at that time, and, to a lesser extent, Iran. The congress became a major international event in the region, proving the rising transnational influence of the Soviet Union in general, and Soviet Azerbaijan in particular.

The Baku fair also functioned as a transborder institution, catering to both the Soviet and the Iranian public.⁴³ By personally patronizing the fair, Azerbaijan leaders such as Narimanov, Musabekov, and Agamaly Ogly assumed the role of important middlemen in Soviet–Iranian relations. They controlled what Musabekov called the “bridgehead to the East,” an exemplary model of exercising Soviet soft power.⁴⁴ The political and cultural aspects of the fair were particularly important. The claim of Azerbaijan to a privileged position in shaping Soviet foreign policy toward Iran was substantiated by its claim to special expertise rooted in cultural and historical proximity.⁴⁵ At the same time, the leadership of Azerbaijan used the fair to demonstrate and promote the republic’s achievements to its neighbors engaged in similar modernizing processes: Turkey under Mustafa Kemal and Iran under Reza Khan.⁴⁶ Mass attendance at the fair offered a unique opportunity for broad popularization of Azerbaijan’s quite favorable results in comparison with other participating countries, and the permanent presence of Turkish and Iranian consular agents at the fair testified to its importance. The fair was also a “site of knowledge,” where economic and also political and admin-

⁴³ Cavanşir Vəkilov. *Azərbaycan Respublikası və İran*. Baku, 1991. Pp. 8-20; N. A. Gasanov. *Rol’ Azerbaidzhanskoi SSR v ustanovlenii i ukreplenii sovetsko-iranskikh otnoshenii / Avtoreferat dissertatsii*. Baku, 1965.

⁴⁴ *Otkrytie Bakinskoi iarmarki // Bakinskii Rabochii*. 1923. 22 May. No. 111 (839). P. 4. For a general discussion of the cultural and political role of exhibitions in the Soviet Union, see Francine Hirsch. *Getting to Know “The Peoples of the USSR”: Ethnographic Exhibits as Soviet Virtual Tourism, 1923–1934 // Slavic Review*. 2003. Vol. 62. No. 4. Pp. 683-709.

⁴⁵ Report of Pietro Quaroni to the Italian embassy in Moscow, September 3, 1926 // *Archivio Storico Diplomatico (Archive of the Italian Foreign Ministry, ASMAE)*. *Affari Politici 1919–1930*. B. 1546.

⁴⁶ For this trilateral modernizing space, see Celal Metin. *Emperyalist Çağda Modernleşme. Türk Modernleşmesi ve İran (1800–1941)*. Ankara, 2011. Pp. 287-308; Adeeb Khalid. *Backwardness and the Quest for Civilization: Early Soviet Central Asia in Comparative Perspective // Slavic Review*. 2006. Vol. 65. No. 2. Pp. 231-251; François Georgeon. *Kémalisme et monde musulman 1919–1938. Quelques points de repère // Cahiers du GETC*. 1987. No. 3. Pp. 1-38; more generally on mutual influences in the period, see Stefan Plaggenborg. *Ordnung und Gewalt. Kemalismus-Faschismus-Sozialismus*. Munich, 2012. Pp. 21-68.

istrative “know how” were exchanged.⁴⁷ This was all the more the case as foreign observers were aware that the Bolsheviks used the fair as a cultural and political lever in the East.

The leaders of Azerbaijan thus had an objective interest in maintaining and intensifying cross-border relations with Northern Iran to shore up their own position. The numbers of Iranian companies represented at the fair jumped from 38 in 1924 to 121 in 1925, 155 in 1926, and 226 in 1927.⁴⁸ The geographical distribution of these companies clearly reflected the pattern of regional economic ties running across the border of Azerbaijan. In 1927, a third of the Iranian companies represented at the fair were based in Baku and carried cross-border trade with Iranian ports on the Caspian. The majority of other merchants (63 percent) came from the three border provinces of Iranian Azerbaijan, Gilan, and Mazandaran.⁴⁹ The total number of Iranians working for these companies and present at the fair must have been notably higher, although we lack the exact statistics. These merchants were directly involved in the general functioning of the fair through a representative assembly.⁵⁰ Iranian participants in the fair would also mingle with local Iranian workers employed at railways and warehouses. Vladimir Osetrov (publishing under the pen name *Irindust*), a leading Soviet expert on the Middle East at the time, estimated the number of Iranian citizens in Baku at the time at approximately 23,000.⁵¹ The fair was the high point for several overlapping transnational networks. At the time of the fair, local Iranian charities often called special sessions, cultural associations met, and Iranian consular officials organized reunions of merchants and workers to discuss general problems of the migrants’ life.⁵²

⁴⁷ On this concept, see Christian Jacob. *Introduction: Faire corps, faire lieu* // Christian Jacob (Ed.). *Lieux de savoir. T. 1: Espaces et communautés*. Paris, 2007. Pp. 17-42; for the significance of fairs and exhibitions for Russia, see Mirjam Voerkelius. *Russland und die Sowjetunion auf den Weltausstellungen* // Martin Aust (Ed.). *Globalisierung imperial und sozialistisch. Russland und die Sowjetunion in der Globalgeschichte 1851–1911*. Frankfurt and New York, 2013. Pp. 215-218.

⁴⁸ *Sed’maia Bakinskaia iarmarka* // *Zaria Vostoka*. 1929. 10 March. No. 56 (2024). P. 1.

⁴⁹ *Bakinskaia iarmarka 1927 g. Otchet komiteta*. Baku, 1927. Pp. 11-12.

⁵⁰ *Temporary Statute of the Baku trade fair, undated (December 1925)* // *SUITA*. F. 617. Op. 1. D. 463. L. 37.

⁵¹ Quoted by Touraj Atabaki. *Disgruntled Guests: Iranian Subaltern on the Margins of the Tsarist Empire* // *International Review of Social History*. 2003. Vol. 48. P. 415.

⁵² *Iran mādāni mārīf cəmiyyətinin açılışı* // *Kommunist*. 1929. 31 March. No. 73 (2579). P. 4; for an overview of Iranian charitable initiatives in Baku, see Nizām’alī Dihnawī. *İrāniān mohājir dar Qafqāz*. Teheran, 1383 (2004). Pp. 31-45.

The thrust of the propaganda employed by the Azerbaijani organizers of the fair reflected their preoccupation with its transnational dimension. Soviet Azerbaijan was presented as a gatekeeper between the Soviet Union and Eastern countries, as in the documentary movie shot in 1925, laconically titled “The Baku Fair Trade.”⁵³ The newly established Azerbaijani Photo-Cinematographic Administration was entrusted with producing the movie, whose script was written by a certain A. Gasparian. This film, unfortunately lost, apparently focused on the intercultural dimension of the fair. Trade was interpreted as a vehicle for strengthening international solidarity between the Soviet and Oriental peoples, and for overcoming state borders. Scenes shot during the fair were combined with frames from Turkey, Iran, and Germany, to provide an international comparison. Along with meetings, shows, exhibitions, and leaflets, the movie was another instrument of cultural and propagandist influence exerted upon Iranian merchants during the fair. The fair effectively served as a conveyor of socialist ideas to Eastern merchants and fitted the general strategy of Soviet diplomats in Iran to court merchants as a progressive and nationalist fringe in Iranian society. Trade with the Soviet Caucasus enhanced their social and economic stance, and would ultimately promote Soviet interests in the country.⁵⁴

The growing importance of the fair was underscored by the construction of a new building, which physically came to embody the multiple worlds alleged to meet in Baku under the Soviet tutelage. Azerbaijani leaders developed ambitious plans after the 1924 fair, justifying their increased appetites by the more favorable conditions enjoyed by the Nizhny Novgorod fair, its main rival. This fair was held on a magnificent compound, in “traditional” Russian style, the legacy of its glorious prerevolutionary past.⁵⁵ In November 1925, the ZSFSR mission in Moscow submitted a request to the union government to fund the construction project, since the fair enjoyed the “All-Union status.”⁵⁶ Around 900,000 rubles were eventually spent on

⁵³ Information about this film is limited to a few lines in M. Z. Rzaeva. *Dokumental’noe kino Azerbaidzhana, 1920–1965*. Baku, 1971. P. 33. Rzaeva bases her study on the film archives of Azerbaijan.

⁵⁴ Circular letter of the Soviet ambassador in Iran, Boris Shumiatskii, to Soviet consuls and Caucasian authorities, September 10, 1924 // *Sak’artvelos shinagan sakmeta saministros ark’ivi, Partiuli ark’ivi* (Archive of the Georgian Interior Ministry, Party Archive // SSSA-PA). F. 13. Op. 2. D. 258. Ll. 1-4.

⁵⁵ On the Nizhegorod Fair, see Anne Lincoln Fitzpatrick. *The Great Russian Fair – Nizhny Novgorod, 1840–1890*. New York, 1990.

⁵⁶ Letter from the Transcaucasian Sovnarkom to the Transcaucasian mission in Moscow, October 31, 1925 // *SUITA*. F. 617. Op. 1. D. 463. L. 27.

the four-building complex that was completed by April 1926, just in time to welcome the fifth annual fair. A correspondent of the *Baku Worker* properly acknowledged the multicultural symbolism of the building:

The complex generally conforms to Oriental style, somewhere in-between Iranian and Byzantine styles. The main building features a covered gallery with a grand central staircase. It is flanked by booths, 150 in all, for shops and merchants. The building has a main yard and two lateral ones. The central yard is in Byzantine style, the second in Arabic style, and the third in Iranian style. Impressive columns surround each yard. A fountain and a big bust of Lenin stand in the middle of the main yard.⁵⁷

This syncretism illustrated the complex mental map that framed the perception of the fair by the Azerbaijani leaders and the architect, at the crossroads of the Middle East and European Russia.⁵⁸ Oriental symbolism coexisted with the modern facilities, such as electricity or tramway. The new building, in this vision, embodied the longtime investment of Azerbaijani leaders in the Baku fair as a cross-border phenomenon.⁵⁹

Reshaping foreign trade in the Azerbaijan borderland

Communist leaders, however, not only added ideological and political dimensions to the traditional commercial networks connecting the South Caucasus and Northern Iran. The Soviet economic policies shaped by them actually began transforming those networks and the economic geography of the region in general. Until 1926, this transformation was not quite visible yet. According to Soviet officials, the new forms of Soviet foreign trade with the East were aimed at mutual economic development on socialist principles, breaking with the previous Russian practices of capitalist exploitation. The Transcaucasian Commissar for Foreign Trade in 1923, Aram Ivanian, qualified Soviet trade as “a powerful means for Eastern peoples to be emancipated

⁵⁷ Kak stroilos' iarmarochnoe zdanie // Bakinskii rabochii. 1926. 30 April. No. 101 (1723). P. 6.

⁵⁸ On the role of architecture in shaping borderland identities in the Russian context, see Kelly O'Neill. *Constructing Russian Identity in the Imperial Borderland: Architecture, Islam, and the Transformation of the Crimean Landscape* // *Ab Imperio*. 2006. No. 2. Pp. 163-192.

⁵⁹ Letter from the Transcaucasian Commissar of Finances to the Sovnarkom ZSFSR, April 4, 1927 // SUITA. F. 617. Op. 1. D. 1227. L. 30; the use of a supposedly traditional style was typical for world fairs. See Mirjam Voerkelius. *Russland und die Sowjetunion auf den Weltausstellungen*. Pp. 212-213.

from predatory capital.”⁶⁰ Soviet theoreticians of foreign trade explained that the Soviet Union and its southern neighbors were not economic competitors, since the former was on its way to become an industrial power, and the latter remained largely agricultural economies.⁶¹ In practice, this meant that traditional asymmetries in trade with Iran persisted, and to this end the cornerstone of Soviet foreign economic policy – the monopoly on trade by central government agencies – was bypassed in a rare exemption granted to the Baku fair.

The exceptional advantages enjoyed by the Baku fair were instrumental in strengthening economic integration with Northern Iran. The numerous benefits of the fair were outlined in special decrees by the Councils of People’s Commissars at the three levels involved (the USSR, ZSFSR, and Azerbaijan), and the Moscow-based Council of Labor and Defense (STO) in charge of coordinating economic and strategic military planning. Those benefits fell into two categories: (1) the right to import or export goods during the fair without obtaining special licenses and beyond regular quotas, and (2) reduced tariffs for water and railway transportation, storage, and insurance. Comprehensive lists of products covered by these exemptions were circulated before the fair. In 1924, for instance, cotton, silk, dried fruit, rice, furs, and livestock could be imported into the USSR without quota. Conversely, salt, flour, tea, timber, paper, dyestuffs, medicines, china, glass, textiles, and soap were allowed unrestricted export across the Azerbaijani border.⁶² Eastern countries were expected to provide raw materials and buy Soviet agricultural and manufactured goods. Although some Soviet economists criticized these exclusive advantages enjoyed by the Baku fair (their arguments resembled those employed by eighteenth-century free-traders against fairs in ancien régime Europe), these measures served as major incentives for Iranian merchants, who were suspicious of Soviet ideology and politics. These extraordinary measures kept cross-border ties alive, as Soviet diplomats emphasized in their correspondence with the Iranian Foreign Ministry.⁶³

The Baku fair was also criticized on more general grounds, both inside and outside Transcaucasia. Sergei Malyshev, head of the Nizhny Novgorod

⁶⁰ Letter from Ivanian to the Sovnarkom ZSFSR, March 8, 1923 // SUITA. F. 735. Op.1. D. 292. L. 6.

⁶¹ Entsiklopediia sovetskogo eksporta. Berlin, 1928. Pp. 34-35.

⁶² Decree No. 70 of the All-Union NKVT, April 24, 1924. Pp. 21-23, reprinted in Vladimir Serov. Spravochnik Bakinskoi iarmarki. Pp. 21-23.

⁶³ Telegram from Chicherin to Shumiatskii, April 11, 1925 // I. K. Kobliakov et al. (Eds.). Dokumenty vneshnei politiki SSSR. Vol. 8. Moscow, 1963. P. 227 and passim.

fair, objected to the popular thesis of Azerbaijani leaders that Baku was the “natural place” for a fair at the crossroads of East and West.⁶⁴ Malyshev asserted the paramount importance of his own fair for the Soviet Union, and believed that all of the fiscal advantages and logistical support should be given solely to Nizhny Novgorod.⁶⁵ Whereas Baku was trading mostly just with Northern Iran, the operations of the Nizhegorod fair had an all-Eurasian dimension, as documented by posters produced for the fair depicting people coming to Nizhny Novgorod from China, Mongolia, Afghanistan, Central Asia, Iran, and Turkey.⁶⁶ Azerbaijani leaders dismissed these allegations as reeking of Great-Russian chauvinism, but had to enter into protracted negotiations in Tiflis and Moscow to preserve the privileges enjoyed by the Baku fair.

This was a tricky task, as Azerbaijan was trying simultaneously to secure privileges granted by the Union government, and to preclude its interference into the fair business. To keep Moscow at a distance, Azerbaijani leaders used their strong position in the government and party structures of the ZSFSR to play the card of defending Caucasian autonomy. Foreign trade had been the bone of contention between Moscow and border republics since the early 1920s, and now the ZSFSR allowed for more efficient lobbying of local interests.⁶⁷ In late 1925, the All-Union NKVT developed a plan and submitted it to the Council of Labor and Defense (STO) to move the central management of the fair to Moscow.⁶⁸ Transcaucasian leaders objected to the move, although they made a symbolic concession: “nominal management” of the fair could be transferred to Moscow, but the actual “operational management” should remain in Tiflis and Baku.⁶⁹ They ultimately blocked

⁶⁴ Protocol No. 28, Meeting of the Transcaucasian Gosplan, November 11, 1924 // SUITA. F. 617. Op. 1. D. 333. L. 15.

⁶⁵ Sergei Malyshev. Protivnikam Nizhegorodskoi iarmarki. Nizhny Novgorod, 1925. Not everyone in the All-Union VSNKh agreed. See Nikolai Valentinov. *Novaia ekonomicheskaiia politika i krizis partii posle smerti Lenina*. Stanford, 1971. Pp. 128-129.

⁶⁶ Sergei Malyshev. *Nizhegorodskaiia iarmarka 1925 goda (po materialam k dokladu pravitel'stvu)*. Nizhny Novgorod, 1925. Pp. 10-14.

⁶⁷ See, for example, a letter from Stalin to Lenin, September 22, 1922, on federal economic relations: RGASPI. F. 5. Op. 2. D. 28. Ll. 19-21, quoted in L. S. Gatagova, L. P. Kosheleva, and L. A. Rogovaia (Eds.). *TsK RKP(b)-VKP(b) i natsional'nyi vopros*. Vol. 1: 1918–1933. Moscow, 2005. Pp. 78-79.

⁶⁸ Letter from the Transcaucasian mission in Moscow to the Economic Council of ZSFSR, November 19, 1925 // SUITA. F. 617. Op. 1. D. 463. L. 30.

⁶⁹ Temporary Statute of the Baku fair, undated (December 1925) // SUITA. F. 617. Op. 1. D. 463. L. 36-37.

the most centralizing aspects of the plan and reasserted the Transcaucasian character of the fair.⁷⁰

The reality was far from this claim: the economic exchanges with Northern Iran through the Baku fair remained mostly the business of Azerbaijan, and were not really supported by other Caucasian economic actors. The organizers of the fair bitterly complained about a lack of interest in the fair in Georgia and Armenia. A correspondent for the *Baku Worker* was very critical of the booth organized that year by the Georgian Supreme Economic Council (VSNKh):

The boss tells wholesale customers: “We do not practice wholesale trade, we sell goods at reduced prices to retail customers.” However, anyone who wants to buy goods in small quantities is told that the boss is not there or that prices have not been set yet. [...] Privately, the boss confesses he is not at all interested in business. Up to now, one has to admit he has been admirably true to his word.⁷¹

In 1922, alarming telegrams were dispatched by the Transcaucasian NKVT to Armenia, calling on the republic “to take an active part in the fair.”⁷² But Armenian government agencies and private merchants were particularly reluctant to participate in the fair. They relied on their own networks of Iranian and Iranian-Armenian merchants that formed a different commercial geography. Through the border city of Julfa, they extended their operations to Western Iranian Azerbaijan. In 1922, Transcaucasian companies accounted for only 11 percent of all traders at the fair, and less than 1 percent in 1924. By contrast, Iranian merchants and companies made up 46.1 percent of all the fair participants (the share of Azerbaijan was 20.9 percent, of Ukraine 15.8 percent, and of the faraway Ural region 4.4 percent).⁷³ Attempts by the Transcaucasian authorities to encourage or compel Georgian and Armenian agencies and companies to actively participate in the Baku fair had a negligible effect.⁷⁴ On the other hand, compared to the possibility of direct

⁷⁰ See correspondence from January–February 1926 between Transcaucasian and central organs: SUITA. F. 617. Op. 1. D. 463. L. 61-62 and 91 in particular.

⁷¹ Magazin VSNKh Gruzii // Bakinskii Rabochii. 1922. 20 October. No. 236 (668). P. 1.

⁷² Letter from Virap, member of the Zakvneshtorg’s college, to Lukashin, chairman of the Armenian Sovnarkom, August 10, 1922. No. 10524 // SUITA. F. 735. Op. 1. D. 294. L. 4.

⁷³ ARDA. F. 133. Op. 1. D. 32. L. 64, quoted in Q. H. Bünyadov. *Bərpa dövründə*, 1971. P. 106.

⁷⁴ See an example of such attempts in 1927 in the correspondence between the Transcaucasian Sovnarkom and the Central Executive Committee in January–February 1927: SUITA. F. 617. Op. 1. D. 1822. Ll. 1-2.

competition, the Baku fair organizers may have viewed this passiveness as the lesser evil. Thus, the Georgian government cherished plans to launch its own international economic initiative in 1926.⁷⁵

As the above numbers indicate, besides administrative control and political rivalries, the fair depended very much on the attitudes of its most numerous group of participants – Iranian merchants. They developed skills in using the complex geography of economic networks structured around the fair to outwit the restrictions set by the Soviet state. All border customs houses in Transcaucasia had to seal goods sent to the fair, and the import dues were to be paid on a special tariff only when they reached the premises of the fair. This physical disconnection of the border and the customs control created opportunities for fraud and contraband. Some commodities earmarked for the fair disappeared en route, together with accompanying personnel. Contraband was not necessarily planned beforehand, but could be an impromptu reaction to the unexpectedly changed fiscal rules. In June 1923, a group of Iranian merchants stood trial in Baku. They took part in the Baku fair in 1922, but were disappointed by the recall of some previously announced discounts in export tariffs, and decided to secretly move the goods they had bought out of the country. They were caught by border guards while trying to smuggle their merchandise on an Iranian boat. Sentenced to long prison terms, they were eventually pardoned and expelled to Iran in July by the Central Executive Committee of Azerbaijan (out of political and diplomatic considerations).⁷⁶ This case demonstrated the internal political divide between the authorities of Azerbaijan, allied with the Commissariat of Foreign Affairs, on the one hand, and the Transcaucasian Cheka (political police) acting alongside the Moscow-based trade organs, on the other. This split revealed deep disagreements as to the way border interactions should evolve in the future.

Iranian traders frequently complained about the legal and economic insecurity of their operations in the Soviet Union.⁷⁷ Financial problems topped their list of grievances. Small and mid-sized Iranian traders badly

⁷⁵ An attempt to establish an agricultural exhibition in Tiflis was seen by Azerbaijani leaders as a challenge to the Baku fair. *Podgotovka k Bakinskoi iarmarke // Bakinskii Rabochii*. 1926. 25 January. No. 21 (1643). P. 3.

⁷⁶ *Iz zaly suda // Bakinskii Rabochii*. 1923. 15 June. No. 131 (859). P. 5; *Iz zaly suda // Bakinskii Rabochii*. 1923. 24 June. No. 138 (866). P. 5; *Pomilovanie persidskikh kuptsov // Bakinskii Rabochii*. 1923. 12 July. No. 156 (882). P. 5.

⁷⁷ Anonymous Polish consular official, “Kraj Zakaukaski w roku 1926,” undated (spring 1927), in Andrzej Furier. *Kraj Zakaukaski w relacjach dyplomatów II Rzeczypospolitej*. Poznań, 1998. P. 111.

needed credit to support their operations.⁷⁸ Credit could be provided only by the Soviet institutions that had offices in Baku and other Soviet and Iranian towns. The Soviet State Bank (Gosbank) was by far the most important actor on this credit market.⁷⁹ In September 1923, the joint Soviet–Iranian bank Ruspersbank was established by a bilateral agreement, at the request of the Soviet ambassador in Tehran, Shumiatskii.⁸⁰ Ruspersbank had branches in all major cities of Northern Iran, considerably facilitating cross-border trade. The cross-border operations and joint-stock composition of these banks blurred the distinctions between domestic and foreign trade, contributing to the economic fluidity of the border. Still, the insufficient access to economic information and the shaky status of the Soviet currency with its fluctuations and limited convertibility (in comparison with the solid reputation of the tsarist ruble) hampered the bridging of both Soviet and Iranian Azerbaijan into a common credit sphere. The Soviet regime sustained control over currency exchange and restricted transfers of cash by foreign workers and merchants. Influenced by Marxist economic theory, Soviet economic and juridical authorities perceived even insignificant operations with currency and precious metals in terms of “trafficking of gold” and “speculation.”⁸¹ The implementation of restrictive measures went hand in hand with the centralization of currency emission and abolition of the republican and Transcaucasian pegged currencies in 1923–24.⁸² Party leaders of Azerbaijan apparently tried to delay the implementation of some of these measures around 1924, arguing that the “special circumstances” of border regions justified a more flexible approach. The Transcaucasian Party Committee, however, sided with Moscow in this matter.⁸³ Exemptions were retained only for the fair, and Eastern merchants enjoyed a special privilege to return home with up to 30 percent of their net profit at the fair in hard currency, but many of them complained that customs officers in Baku, Julfa, and Astara refused to recognize this allowance, which caused

⁷⁸ Yarmarqa ve qredit meseleleri // Kommunist. 1924. 4 June. No. 122 (1122). P. 7.

⁷⁹ Protocol No. 54, Collegium of the NKVT ZSFSR, April 17, 1923 // SUITA. F. 617. Op. 1. D. 182. L. 41–42.

⁸⁰ Organizatsiia i deiatel'nost' sovetско-persidskikh smeshannykh obshchestv. Baku, 1925. Pp. 59–67.

⁸¹ Protocol No. 48 of the Presidium of the Transcaucasian Party Committee's (Zakkrajkom), December 12, 1922 // SSSA-PA. F. 13. Op. 1. D. 17. L. 85.

⁸² Protocol No. 39 of the Presidium of the Zakkrajkom, February 22, 1924 // SSSA-PA. F. 13. Op. 2. D. 18. L. 14–15.

⁸³ Protocol No. 45 of the Presidium of the Zakkrajkom, March 19, 1924 // SSSA-PA. F. 13. Op. 2. D. 18. L. 34–35.

lengthy deliberations.⁸⁴ Obviously, the economic ties between Transcaucasia and Iran were never restored to their prewar level.

***The 1926–1927 trade conflict and political mobilization
in Northern Iran***

The difficult process of restoring old economic ties was further troubled by the heightened bilateral tensions starting in late 1925, triggered by the chronic trade deficit between the USSR and Iran. The Soviet Union imported numerous products from Iran, such as raw materials needed for its expanding manufacturing sector, above all cotton and skins, and also dried fruit, meat, live cattle, and so on. Soviet exports of sugar, flour, metals, and manufactured goods did not match imports. Soviet course of industrialization required sustaining the positive balance of foreign trade in order to provide the regime with much-needed hard currency.⁸⁵ Even though trade with Eastern countries as a whole had plunged during World War I and the Civil War, its relative share in the Soviet foreign exchanges had increased compared to the levels of late tsarist Russia, from 6 percent before 1914 to around 15 percent.⁸⁶ At a session of the Politburo on January 11, 1926, Iranian trade was clearly identified as one of the key resources for reducing the foreign trade deficit.⁸⁷

On January 31, 1926, the Soviet government and the Soviet legation to Iran announced that the border was closed to Iranian imports, except cotton and wool, in order to reduce the bilateral trade deficit.⁸⁸ This economic embargo was to be maintained until a new trade agreement could be reached, with had tremendous consequences for the economy of Northern Iran. In

⁸⁴ Protocol No. 7 of the Transcaucasian Sovnarkom, June 5, 1924 // SUITA. F. 617. Op. 1. D. 247. L. 2; Letter from the Narkomfin RSFSR to the Commissariat of Foreign Affairs (NKID), June 14, 1923 // SUITA. F. 617. Op. 1. D. 198. L. 22.

⁸⁵ David M. Woodruff. *The Politburo on Gold, Industrialization, and the International Economy, 1925–1926* // Paul R. Gregory, Norman Naimark (Eds.). *The Lost Politburo Transcripts. From Collective Rule to Stalin's Dictatorship*. New Haven, 2008. Pp. 214–215.

⁸⁶ Violet Conolly. *Soviet Economic Policy in the East. Turkey, Iran, Afghanistan, Mongolia and Tana Tuva*. Sin Kiang and London, 1933. P. 127.

⁸⁷ Minutes of the Politburo session on the situation and perspectives of the currency reserves, January 11, 1926 // K. M. Anderson, P. Gregory, O. V. Khlevniuk et al. (Eds.). *Stenogrammy zasedanii Politbiuro TsK RKP(b)-VKP(b) 1923–1938* gg. Vol. 1: 1923–1926. Moscow, 2007. P. 552.

⁸⁸ Sir Percy Loraine to Sir Austen Chamberlain, Teheran, January 30, 1926 // Public Record Office (PRO). FO 416/78. P. 44.

Gilan, Mazandaran, and Iranian Azerbaijan the economy was entirely dependent on exports to the Soviet Union. The initial reaction to embargo was more bafflement than despair. By March 1926, discontent began to grow in the Northern and Central regions of the country.⁸⁹ This discontent did not erupt into violent protests for a number of reasons. First, it was anticipated that the embargo would soon end, following an agreement between the Iranian and Soviet governments. Second, Soviet agencies continued to purchase, half-secretly, large quantities of the officially banned goods.⁹⁰ These purchases were a bargain for the USSR, as prices plummeted after the introduction of the embargo. Third, Soviet consular and commercial missions to Iran still issued licenses for participation in the Baku fair, although for limited amounts of merchandise, and with the commitment to purchase Soviet goods with the proceeds.⁹¹ Thus, the embargo did not completely cut off Northern Iran from the Soviet market.

Discontent was directed against both the Soviet and the Iranian governments, the latter seen as unable and unwilling to respond to the crisis. Rumors circulated that cotton and wool would soon be included in the embargo, which promised ruin to the Iranian peasants.⁹² Abdolhossein Teymourdash, the Iranian Court minister, set out for Moscow in summer 1926 to seek a solution to the problem, but the first report he submitted to the Majlis was met with hostility by members of Parliament and public opinion.⁹³ Border regions and Caspian ports abounded with stories about Iranian merchants being imprisoned during and after the Baku fair under minor pretexts, allegedly for illegally exporting currency or exchanging *chervontsy* (ten-ruble bills) on the black market. A series of arrests and expulsions of Iranian

⁸⁹ Sir P. Loraine to Sir Austen Chamberlain, Tehran, February 22, 1926 // PRO. FO 416/78. Pp. 114-115; Sir P. Loraine to Sir Austen Chamberlain, Tehran, March 11, 1926 // PRO. FO 416/78. P. 128.

⁹⁰ Sir P. Loraine to Sir Austen Chamberlain, Tehran, April 22, 1926 // PRO. FO 416/78. P. 152.

⁹¹ Only 10 percent of the total volume of trade could be brought back in hard currency to Iran, the rest had to be in Soviet products. Sir Percy Loraine to Sir Austen Chamberlain, Teheran, May 18, 1926 // PRO. FO 416/78. Pp. 176-178. Iranian merchants complained thereafter that even these harsh conditions were not respected. See Sir Percy Loraine to Sir Austen Chamberlain, Teheran, June 15, 1926 // PRO. FO 416/79. P. 15.

⁹² Mr. Nicolson to Sir Austen Chamberlain, Gulhek, November 20, 1926 // PRO. FO 416/79. P. 188; Mr. Clive to Sir Austen Chamberlain, Tehran, November 20, 1926 // PRO. FO 416/79. P. 200.

⁹³ Mr. Clive to Sir Austen Chamberlain, Teheran, December 2, 1926 // PRO. FO 416/79. P. 204.

subjects by the Transcaucasian Cheka actually took place in late 1925–early 1926. They provoked energetic protests from the Commissariat of Foreign Affairs, so the Transcaucasian Party Committee decided to suspend mass expulsions of Iranian citizens, except for the “criminal elements.”⁹⁴ As a British diplomat in Iran noted, rumors about these abuses stirred mass indignation. The press of Northern Iran closely followed the fate of arrested merchants and blamed both the Iranian government for its inactivity and the Soviets for their treacherous policy.⁹⁵ As far as the Iranian government was concerned, this criticism was relatively unfair. Iranian diplomatic documents reveal the unflinching, even if discrete, commitment of Iranian diplomats and consuls, notably in Baku, to obtain the release of Iranian subjects and support their legal claims.⁹⁶

Iranian merchants politically organized themselves in Gilan, in January–February 1927, when they founded a *Jem’iyet-e nehzet-e eqtesâdî* (literally Society for Economic Revival, commonly translated as Gilan Merchants’ Economic Union). This Union relied on the tradition of merchant revolts since the Tobacco Protest of 1891–92. The Tobacco Protest, a response to the concession granted by Nasir al-Din Shah to British citizen Julius de Reuter, was a milestone in the history of political protest in Iran.⁹⁷ However, the Economic Union of Gilan not only took up nationalist slogans against foreign humiliation. Implicitly, it aimed at maintaining regional economic transborder ties, countering the mounting Soviet obstacles to it. In a way, it defended common regional cross-border interests against intervention from Moscow. This subtext of the Union’s activity was acknowledged by the Iranian ambassador in Moscow in a private talk with the Italian ambassador.⁹⁸ The first decision of the Union was to boycott the Baku trade fair, where Iranian merchants formerly played the leading role. The Economic Union lobbied the Majlis, Iranian government, and Reza Shah himself. They promptly sent emissaries to meet with the prime minister, Mostowfi

⁹⁴ Decision of the presidium of the Zakkrajkom, January 16, 1926 // Osobaia Papka. SSSA-PA. F. 1. Op. 1. D.1. L. 3.

⁹⁵ Mr. Clive to Sir Austen Chamberlain, Teheran, December 30, 1926 // PRO. FO 416/80. P. 17.

⁹⁶ Mahmud Tâherahmadi. *Ravâbit-e Irân*. Pp. 152-153.

⁹⁷ Nikki R. Keddie. *Religion and Rebellion in Iran: The Tobacco Protest of 1891–1892*. London, 1966; Mansoor Moaddel. *Shi’i Political Discourse and Class Mobilization in the Tobacco Movement of 1890–1892* // John Foran (Ed.). *A Century of Revolution. Social Movements in Iran*. London, 1994. Pp. 1-20.

⁹⁸ Telegram of the Italian embassy in Moscow to the Italian Foreign Ministry, March 23, 1927 // ASMAE. *Affari Politici, 1919–1930*. B. 1548 (Russia).

ol-Mamâlek, to exact a fair commercial agreement or countermeasures.⁹⁹ A new mission was sent to Moscow on March 19, headed by the then Foreign Minister Ali Qoli Ansari.

The rise of this popular movement in Northern Iran came as a surprise to the Soviets. The main centers of the movement were in Resht and the port of Pehlevi (formerly, Enzeli). Police reports emphasized the efficiency of the movement to mobilize masses under anti-Soviet slogans, and occasional criticism of the government's passivity. On March 14, 1927, for instance, 3,000 people participated in a meeting at the Shâh Hâzer mosque in Resht, before marching to the telegraph house and sending a telegram to the Majlis.¹⁰⁰ At the end of March, the Economic Union increased its demands and threatened to take control of customs in Enzeli and all border posts in Gilan. The Interior Ministry received instructions to prevent this step, which would hurt the "dignity of the State" (*heysiyyat-e dowlat*) and credibility in the eyes of the USSR.¹⁰¹ The Economic Union protested and reminded the government that it had always been moderate in its claims, and was only pushed to action by despair and the government's inactivity.¹⁰² An ultimatum was drafted on May 2, after a meeting held in Resht on April 20, 1927, to which all heads of Gilani administrations had been invited. On May 3, Reshti merchants marched on Pehlevi with several hundred supporters and besieged the customs house, provoking panic among Soviet commercial representatives. Only due to the governor's intervention and a noticeable military presence were the merchants talked into returning to Resht.¹⁰³ The speeches made in Pehlevi by the leaders of the movement denounced Soviet economic exploitation and the restrictions on Iranian trade. The Baku fair, which had opened on January 25 and closed on March 25, was repeatedly

⁹⁹ Ettlâ'ât. 5 Esfand 1305 (25 February 1927). No. 162. P. 2.

¹⁰⁰ Letter from the central department of gendarmerie (*edâre-ye koll tashkilât-e nazmiyye mamlakati*) to Mostowfi ol-Mamâlek, 7 farvardin 1306 (28 March 1927), published in Mahmud Tâherahmadi. *Asnâd-e ravâbit-e Irân o Shuravî dar dowre Rezâ Shâh*. Tehran, 1996. P. 76.

¹⁰¹ Letter from the North-Western directorate at the Interior Ministry to the Gilan administration, 24 farvardin 1306 (14 April 1927), in Mahmud Tâherahmadi. *Asnâd-e ravâbit-e Irân*. P. 77; Sir R. Clive to Sir Austen Chamberlain, April 23, 1927 // PRO. FO 416/80. P. 170.

¹⁰² Telegrams (22 and 23 farvardin 1306) of April 12 and 13, 1927, from the Economic Union to Mostowfi ol-Mamâlek, in Mahmud Tâherahmadi. *Asnâd-e ravâbit-e Irân*. Pp. 80-81.

¹⁰³ Report from the governor of Gilan to the Interior Minister, Imad os-Saltane, 12 ordibehesht 1306 (May 3, 1927), in Mahmud Tâherahmadi. *Asnâd-e ravâbit-e Irân*. Pp. 91-93.

mentioned in the speeches and discussed in the local newspaper *Parvaresh*, edited by Hoseyn Iqbâl and Hoseyn Râzâni.

Observers on the Soviet side had no doubt that this protest movement was organized by the British seeking to put Northern Iran under their control and reduce to nil Soviet economic and political influence in the country.¹⁰⁴ On January 17, 1927, the Baku-based journal *Kommunist* featured a lengthy article on “Soviet-Iranian relations,” which singled out British propaganda as the main source of the brewing discontent in Northern Iran.¹⁰⁵ The British, it was purported, had struck an alliance with rich merchants, which prevented any agreement in the trade dispute. The article alleged instances of violence against Soviet citizens, including Transcaucasian agents in Resht and Pehlevi. Articles on the topic published in Transcaucasian newspapers contributed to the general atmosphere of the “war scare” of 1927.¹⁰⁶ As protests spread in Gilan, the Soviet ambassador Konstantin Yurenev complained in a diplomatic note about the prevalence of an anti-Soviet mood, and reported incidents involving Soviet ships in Pehlevi.¹⁰⁷ Locally, Soviet consuls were asked to soothe provincial authorities and convince them to take a more favorable stance vis-à-vis the Soviets. These attempts must have been somewhat effective because the 1927 fair was a success. Despite the boycott movement, Gilan merchants showed more enthusiasm about attending the fair than their peers from other provinces: they purchased 35 percent of all the licenses for the Baku fair sold in Iran (while only 22 percent were purchased in Iranian Azerbaijan, 20 percent in Khorasan, and 8 percent in Mazandaran).¹⁰⁸

The protest movement of Gilani merchants, in retrospect, was a twofold failure. In the short run, it was not strong enough to block trade between Northern Iran and Russia and thus strengthen the bargaining power of Iran. In the longer run, it contributed to the tapering off of economic connections

¹⁰⁴ S. Zelenskii. Shestaia Bakinskaia iarmarka i persidskii rynek // *Ekonomicheskii Vestnik Zakavkaz'ia*. 1927. No. 8. 15 April. Pp. 78-79.

¹⁰⁵ Shuralar-Iran münasibeti // *Kommunist*. 1927. 17 January. No. 13 (1910). P. 1.

¹⁰⁶ John P. Sontag. *The Soviet War Scare of 1926–27* // *Russian Review*. 1975. Vol. 34. No. 1. Pp. 66-77; Raymond W. Leonard. *Secret Soldiers of the Revolution: Soviet Military Intelligence, 1918–1933*. Westport, 1999. Pp. 86-88; Anna di Biagio. *Moscow, the Comintern, and the War Scare, 1926–1928* // Silvio Pons, Andrea Romano (Eds.). *Russia in the Age of War, 1914–1945*. Milano, 2000. Pp. 83-102.

¹⁰⁷ Verbal note from Yurenev to the Iranian Foreign Ministry, March 7, 1927 // *Dokumenty vneshnei politiki SSSR*. Vol. 10. Moscow, 1965. Pp. 74-75.

¹⁰⁸ See SUITA. F. 617. Op. 1. D. 1227. Ll. 5-22; Bakinskaia iarmarka 1927 g. Otchet komiteta. Baku, 1927. Pp. 6-8.

between Northern Iran and the South Caucasus. The trade treaty between Iran and the USSR was finally signed on October 1, 1927, in Moscow. The terms of the treaty meticulously regulated commercial transactions between the two countries, which significantly reduced the autonomy of regional actors in the borderland. The underlying principle of trade relationships was proclaimed the “balance of contract” (*netto balans*), an equilibrium between exports and imports. Iranian exports to Russia should amount to 250 million kran (50 million rubles), of which 150 should be in raw materials, and 100, in food products.¹⁰⁹ A similar amount was allotted for Iranian imports. The balance of trade was to be distributed equally between Iranian merchants and Soviet government-controlled traders. As Hoseyn Navāi remarked in 1935, the treaty aimed at eliminating the deficit, even at a cost of reducing the volume of trade.¹¹⁰ Indeed, the Soviets managed almost to eliminate their deficit: in 1927–28, Iran exported goods worth 209 million kran and imported goods worth 199 million kran.¹¹¹ This efficient regulation of the trade balance was achieved at the expense of restricting regional economic autonomy, with grave consequences for the Baku fair.

The end of the fair and the unmaking of the Azerbaijani borderland

The future of the Baku fair was publicly questioned even before the signing of the treaty of 1927. On July 6, 1927, David Zavriev, the academic secretary of the Transcaucasian-Eastern Chamber of Commerce (ZVTP), in an article titled “The Council of Industrial Congresses of the USSR and the Baku Fair,” reported on a session of this association of industry and trade lobbyists held in Moscow in late May. Anticipating a trade treaty with Iran soon, representatives of the largest state-owned companies had agreed that the Baku fair was an outdated relic of the bygone epoch of unregulated commerce.¹¹² Zavriev himself held a different view. He admitted that other channels might be more efficient than the Baku fair for the bilateral exchange

¹⁰⁹ Miron Rezun. *The Soviet Union and Iran. Soviet Policy in Iran from the Beginnings of the Pahlavi Dynasty until the Soviet Invasion in 1941.* Geneva and Alphen aan den Rijn, 1981. Pp. 116-119.

¹¹⁰ Hossein Navāi. *Les relations économiques irano-russes.* Paris, 1935. Pp. 123-125. A few years later, a secret report of the Party Control Commission would criticize the *netto balans* as relatively unproductive and fraught with unforeseen consequences. *SUITA*. F. 616. Op. 1. D. 5. Ll. 138-142.

¹¹¹ Rezun. *The Soviet Union and Iran.* Pp. 211-212.

¹¹² D. Zavriev. *Sovet s’ezdov promyshlennosti SSSR i Bakinskaia iarmarka // Zaria Vostoka.* 1927. 6 July. No. 1519. P. 2.

of goods. He stated, however, that the fair had other important functions: it sustained borderland economic cooperation between the Southern Caucasus and Northern Iran, which was indispensable in stimulating the production of raw materials. It could also help in promoting Soviet exports to Southern Iran, thus expanding the economic sphere of influence of the Transcaucasia.¹¹³ Other defenders of the fair, such as the anonymous author who signed an article on December 30, 1927, in the *Dawn of the East*, the official Transcaucasian newspaper, emphasized that the fair had not only a quantitative dimension of the net turnover of commodities but also a qualitative one. Within the system of the border economy, it maintained and developed personal networks, drawing economic views and cultural norms closer.¹¹⁴

Criticisms of the fair were voiced against a backdrop of intensifying ideological conflict and political struggle within the Soviet leadership on issues of industrialization and trade.¹¹⁵ Left-leaning politicians and economists saw no place for trade fairs in the centrally managed economy of state socialism. Those considered “right-wing” in the Bolshevik establishment saw fiscal and economic advantages and fiscal exemptions granted to fairs as unjustified measures. They argued that having a local economic effect, fairs overburdened the national economy as a whole. Furthermore, fairs concentrated peak economic activity very disproportionately over a short period of time, putting excessive stress on transport and other logistics.¹¹⁶ Within Transcaucasia, debates revolved around arguments of economic geography. The geographical proximity of Baku to Iran, which had been a justification for the existence of the fair in the 1920s, was now seen as a disadvantage. The expert Nikolai Bobynin (former member of the Russian Constituent Assembly) suggested an entirely new system of cross-border trade.¹¹⁷ He proposed to differentiate and spatially separate functions of the

¹¹³ See also a report presented at the ZVTP: Protocol No. 3 of the Board, ZVTP, November 20, 1928 // SUITA. F. 719. Op.1. D. 19. Ll. 8-9.

¹¹⁴ *Novye zadaniia Bakinskoi iarmarki* // *Zaria Vostoka*. 1927. 30 December. No. 1665. P. 1. On the fair as a space of personal contacts and information flow, see Clifford Geertz. *The Bazaar Economy: Information and Search in Peasant Marketing* // *American Economic Review*. 1978. Vol. 68. No. 2. Pp. 28-32.

¹¹⁵ E. A. Osokina. *V tiskakh sovetskoi trgovli* // S. A. Pavliuchenkov (Ed.). *Rossia nepovskaia*. Moscow, 2002. Pp. 403-418.

¹¹⁶ This was noticed from the very beginning by numerous actors involved. See a letter by the German general consul in Tiflis of April 8, 1925: *Politisches Archiv des Auswärtigen Amts (PA AA)*. *Länderabteilung III*. R 92391.

¹¹⁷ N. Bobynin. *Novye organizatsionnye formy trgovli s Vostokom* // *Zaria Vostoka*. 1927. 24 December. No. 1660. P. 1.

traditional fair by developing a dual system. To inform foreign merchants about new products, permanently functioning industry and trade exhibitions were to be open in a few Transcaucasian cities. At the same time, a network of “export bases” (trading posts) would conduct trade on a regular basis right on the border. Specifically, for Iranian trade, it was proposed that these be located in Julfa and in the port of Baku.

Besides economic concerns, political considerations played a role in the decision to skip the fair in 1928. In the Caucasus, the rising suspicions of foreigners on behalf of the political police (OGPU) had led to a campaign of forcing Turkish and Iranian nationals to renounce their citizenship under the threat of extradition.¹¹⁸ Iranian consuls were put under secret surveillance, and their activity was increasingly restricted. Requests made by the Iranian government to open vice-consulates in Caucasian cities where Iranian citizens lived were routinely turned down.¹¹⁹ Traditionally high numbers of Iranian residents in the Transcaucasian borderland, and the blurred boundary between the social identity of Soviet and Iranian Azerbaijanis were becoming increasingly perceived as a threat.¹²⁰ New conventions on the border regime signed with Turkey and Iran in 1927–28 marked a step toward further regulation of transborder trade in the region.¹²¹ Iranian diplomats, and even more so ordinary citizens returning from Transcaucasia, spread the word about the crisis of the Bolshevik regime. These regional developments coincided with a general turn in Soviet foreign policy toward closing the country. It was the moment, in the words of Terry Martin, when “it became clear to the Soviet leadership that cross-border ties could not be exploited to undermine neighboring countries, but instead had the opposite potential.”¹²² The stake on the “Piedmont principle” (using borderlands as venues for disseminating propaganda and exerting influence over neighboring countries) was abandoned after 1929. To avoid the danger of applying that “Piedmont

¹¹⁸ Letter of Pavlunovskii, head of the Transcaucasian GPU, to the Zakkraikom and republican GPUs, December 24, 1926 // SSSA-PA. Osobaia papka. F. 1. Op. 1. D. 1. L. 25-26.

¹¹⁹ Protocol No. 40 of the presidium of the Zakkrajkom, October 20, 1928 // SSSA-PA. F. 13. Op. 6. D. 11. L. 132-133.

¹²⁰ Protocol No. 60 of the presidium of the Zakkrajkom, July 2, 1927 // SSSA-PA. F. 13. Op. 5. D. 21. L. 138; Jörg Baberowski. *Der Feind ist überall. Stalinismus im Kaukasus*. Munich, 2003. Pp. 555-557.

¹²¹ Sabine Dullin. *L'URSS à la frontière (1920-1940): le politique, le quotidien, l'imaginaire d'un Etat neuf*. Paris, Editions de l'EHSS, forthcoming.

¹²² Terry Martin. *The Origins of Soviet Ethnic Cleansing* // *Journal of Modern History*. 1998. Vol. 70. No. 4. P. 860.

principle” now against the USSR, a series of ethnic-cleansing campaigns swept over the Soviet border territories in the 1930s. The Baku fair, with its high concentration of unsupervised contacts with foreigners, fell prey to the growing isolationism of the USSR.¹²³

The 1927 trade treaty with Iran further undermined the idea of the fair, this time compromising the Iranian business counterparts. Critics pointed to the “fragmented” character of Iranian commerce dominated by private firms, in stark contrast to the integrated system of government-controlled Soviet trusts. It was argued that the proper balance of trade could be effectively sustained only by large companies (like the Soviet), not by small Iranian traders.¹²⁴ Still, no working mechanism of transborder trade was readily available to replace the Baku fair within a feasible time, and the flow of goods across the Iranian border was disrupted. This compelled the Soviet People’s Commissariat of Trade to hastily announce in early August 1928 that the Baku fair would reopen in late winter 1929, much earlier in the year than the previous fairs.¹²⁵ It was clear, however, that this was not the restoration of the fair in its original format: the organizers were required to put on display only samples of the wholesalers of the traded merchandise and to fulfill signed contracts by delivering the goods directly to customers, avoiding the fair grounds. This was explained based on the need to relieve the railways, overstrained by the launch of the first Five-Year Plan.¹²⁶ Soviet firms participating in the fair were required to exhibit their merchandise jointly, all in the same pavilion built by the Transcaucasian State Trade Company, in order to produce an enhanced image of Soviet economic potential and to avoid “unnecessary competition.”¹²⁷

The last Baku fair was opened with a delay, and operated from March 15 to April 15, 1929. At the Chamber of Commerce of Azerbaijan, they

¹²³ Which Jörg Baberowski has characterized as the “Suche nach Eindeutigkeit.” Cf. Jörg Baberowski. *Auf der Suche nach Eindeutigkeit. Kolonialismus und zivilisatorische Mission im Zarenreich und in der Sowjetunion // Jahrbücher für Geschichte Osteuropas*. 1999. Vol. 47. Pp. 482-504.

¹²⁴ The most elaborated formulation of this “fragmentation [*raspylennost*]” theory” may be found in *Torgovlia s Vostokom: Budet li Nizhegorodskaja iarmarka? // Zaria Vostoka*. 1928. No. 69 (1735). P. 3.

¹²⁵ *Bakinskaia iarmarka // Zaria Vostoka*. 1928. 7 August. No. 181 (1847). P. 1.

¹²⁶ Executive report on the ZVTP’s activity, 1928–1929, October 1929 // *SUITA*. F. 719. Op. 1. D. 9. Ll. 65-72. For the problems of the Soviet railways after 1929, see E. A. Rees. *Stalinism and Rail Transport, 1928–1941*. Basingstoke and London, 1995.

¹²⁷ Protocol No. 2 of the Board, ZVTP, December 10, 1928 // *SUITA*. F. 719. Op. 1. D. 19. L. 4; *Sed’maia Bakinskaia iarmarka // Zaria Vostoka*. 1929. 10 March. No. 56 (2024). P. 1.

were concerned that the lapse of the Baku fair in 1928 would have had the most dramatic consequences for attendance at the fair, particularly among Iranian merchants, who would not show up. The reality did not justify these pessimistic expectations: official statistics of the 1929 fair registered 372 Iranian participants, and trade turnover reached 16 million rubles, of which over 11 million rubles was generated by transactions with Iran. This was well below the benchmark set in 1927, but still demonstrated the high interest of foreign merchants in the Baku fair, despite its changed format, reduced privileges, and imposed legal restrictions.¹²⁸ The relative success of the 1929 fair was achieved in good part by an active advertisement campaign in Northern Iran. Soviet diplomats persuaded their Iranian colleagues of the importance of the resumed Baku fair, and asked them to spread the word about it at home.¹²⁹ These measures were deemed absolutely necessary, as Soviet managers responsible for the foreign trade in Transcaucasia admitted in private that they had to rebuild mutual confidence with Iranian merchants from scratch.¹³⁰

Despite the relatively successful reanimation of the Baku fair in 1929, this form of international economic cooperation was doomed because of the profound transformation of the Transcaucasian entangled borderland. The crackdown on migrants and traditional Iranian cross-border social and commercial networks in Azerbaijan in 1929 and the appalling arbitrariness of these measures stirred mass discontent and official protest by the Iranian embassy in Moscow. This led the ZSFSR party leadership (Zakkraikom) to demand that the head of the Transcaucasian GPU, Stanislav Redens, abide closely by official regulations in order to avoid diplomatic scandals.¹³¹ This did not stop the outflow of Iranian citizens following the last Baku fair and the first months of collectivization. In the Iranian port city of Astara on the Caspian sea, 2,000 families fleeing Soviet Azerbaijan were registered in 1929–30.¹³² The Soviets did not bear sole responsibility for sealing off the border: the Iranian government of Reza Shah was equally interested in the

¹²⁸ Report of the Baku fair committee, June 31, 1929 // SUITA. F. 804. Op. 1. D. 2143. L. 1-23.

¹²⁹ Decision of the Union Sovnarkom, January 8, 1929 // I. I. Agaiants et al. (Eds.). *Dokumenty vneshnei politiki SSSR*. Vol. 12. Moscow, 1967. P. 12.

¹³⁰ Protocol No. 2 of the Board, ZVTP, December 10, 1928 // SUITA. F. 719. Op.1. D. 19. L. 4.

¹³¹ Secret decision of the Zakkrajkom, May 15, 1929 // SSSA-PA. Osobaia Papka. F. 1. Op. 1. D. 2. L. 64.

¹³² Mahmud Tâherahmadi. *Ravâbit-e Irân*. P. 155; Sir R. Clive to Sir Austen Chamberlain, Tehran, December 22, 1928 // PRO. FO 416/84. Pp. 13-14.

growing isolation of the Transcaucasus, as a measure facilitating the state- and nation-building efforts under way in Iran.¹³³

These global developments had a direct impact on the Baku fair, and were in many ways fostered by the Baku fair itself, in both economic and cultural spheres. For instance, the traditional transborder unity of economic ties and social networks in the Southern Caucasus had been sustained, *inter alia*, by the shared system of Russian and Muslim units of measure. As of 1924, the ZSFSR began a transition to the metric system, so that about 80 percent of all the commercial organizations in Transcaucasia were using the metric system in 1927.¹³⁴ This seemingly apolitical decision deeply affected the Baku fair, with the new symbolic divide objectifying and further deepening the distance between its participants imposed by one's citizenship and place of residence. Neighboring countries also contemplated this change, but Turkey began adopting the metric system only in 1931, and Iran in 1935.¹³⁵

Cultural differences revealed themselves as important indicators of demarcation even when the neighboring countries pursued seemingly similar policies. Thus, between August 1927 and December 1928, the Pahlavi regime passed a series of laws requiring both men and women to wear Western-style dress.¹³⁶ Some Iranian merchants adopted the new clothes, duly impressing Soviet observers when they returned to Baku for the 1929 fair.¹³⁷ The Iranian state, however, lacked the authority of the regimes in Turkey and

¹³³ Richard Tapper. *Frontier Nomads of Iran. A Political and Social History of the Shahsevan*. Cambridge, 1997. Pp. 283-285; Firoozeh Kashani-Sabet. *Frontier Fictions. Shaping the Iranian Nation, 1804–1946*. Princeton, 1999.

¹³⁴ Guntsadze. *Metricheskaia reforma v ZSFSR // Ekonomicheskii Vestnik Zakavkaz'ia*. 1927. No. 11. June 1. Pp. 99-104. For a general history of this reform, see *Sto let gosudarstvennoi sluzhby mer i vesov SSSR*. Moscow, 1945.

¹³⁵ On the spatial reconfigurations produced by standardization, see Andrew L. Russell. *Standardization in History: A Review Essay with an Eye to the Future // Sherrie Bolin (Ed.). The Standards Edge: Future Generations*. Ann Arbor, 2005. Pp. 247-260. For the Russian case, see Michael D. Gordin. *Measure of All the Russias. Metrology and Governance in the Russian Empire // Kritika. Explorations in Russian and Eurasian History*. 2003. Vol. 4. No. 4. Pp. 783-815.

¹³⁶ Houchang Chehabi. *Dress Codes for Men in Turkey and Iran // Touraj Atabaki, Erik J. Zürcher (Eds.). Men of Order. Authoritarian Modernization under Atatürk and Reza Shah*. London and New York, 2004. Pp. 209-237; Patricia L. Baker. *Politics of Dress: The Dress Reform Laws of 1920–1930s in Iran // Nancy Lindisfarne-Tapper, Bruce Ingham (Eds.). Languages of Dress in the Middle East*. London, 1997. Pp. 178-192.

¹³⁷ See, for example, *Kommunist*. 1929. 17 March. No. 62 (2568). P. 1, for a contrast to the picture of a traditional Iranian merchant striking a deal with Western-style dressed Soviet traders in *Bakinskii Rabochii*. 1927. 2 March. No. 50 (2116). P. 2.

the Soviet Union to effectively enforce the new dress code in the face of popular resistance.¹³⁸ Accounts of Iranian reforms in Azerbaijani newspapers underscored their half-heartedness and contrasted them unfavorably with Soviet reforms.¹³⁹ The logic of modernization in the Soviet Union and Iran drove Soviet Azerbaijan and Northern Iran away from each other, disrupting traditional cultural and economic ties.

Conclusion

The decision to abolish all commercial fairs in the Soviet Union was made on February 6, 1930. The transition to the planned economy and “rationalized” commercial relations with Eastern countries had diminished the significance of the Baku fair long before this formal ban.¹⁴⁰ Even though the main criticism of fairs was formulated in economic terms, the consequences of closing the Baku fair well exceeded the sphere of economics. It delivered a blow to the economic and political autonomy of Soviet Azerbaijan and the ZSFSR, culminating the process of unmaking the former cross-border unity of the Transcaucasian region.¹⁴¹ Until 1926, the Soviet leaders of Azerbaijan and ZSFSR relied on the economic potential of that unity as a political resource to bolster their political weight against Moscow. Close relations with neighboring Muslim countries were an important part of their autonomous status. Central authorities were satisfied with this arrangement as long as Azerbaijan was seen as a political and cultural Piedmont, a proxy used to influence if not manipulate Iran. As a result, the cross-border commercial network established by Iranian and Azerbaijani merchants well before Sovietization had been mostly retained, in the format of the Baku fair. The 1926–27 economic and political crisis marked a turning point in Soviet–Ira-

¹³⁸ Sir R. Clive to Sir Austen Chamberlain, Tehran, February 3, 1929 // PRO. FO 416/84. P. 118. For a comparison with the Soviet case, see Douglas Northrop. *Veiled Empire. Gender and Power in Stalinist Central Asia*. Ithaca and London, 2004. Pp. 81-83; Marianne Kamp. *The New Woman in Uzbekistan: Islam, Modernity, and Unveiling Under Communism*. Seattle, 2006. Pp. 178-181.

¹³⁹ *Nezavisimost' i progress po-persidski // Bakinskii Rabochii*. 1929. 14 April. No. 85 (2949). P. 3.

¹⁴⁰ *Sobranie zakonov i rasporiazhenii SSSR*. Vol. 18. No. 209. Moscow, 1930. P. 352; Igor Orlov. *Novaia ekonomicheskaiia politika: istoriia, opyt, problem*. Moscow, 1999. P. 64; Dmitrii Ilimskii. *Iarmarki i organizatsiia rynka // Voprosy trgovli*. 1930. No. 2. Pp. 27-33.

¹⁴¹ Similar dynamics can be detected at other Soviet borderlands. See, for instance, Frank Grüner. *Grenzüberschreitungen und transkulturelle Prozesse im städtischen Raum. Der Fall der mandschurischen Stadt Harbin, 1898–1949 // AHF. Jahrbuch der historischen Forschung*. 2008. Pp. 91-101.

nian bilateral relations, and put a serious strain on the cross-border networks. Tightening of the border control and persecutions of Iranian citizens came hand in hand with the difficulties experienced by the Baku fair. The new trade treaty with Iran shifted the balance of transborder commerce in favor of all-Union trusts and government agencies, reducing the autonomy of Azerbaijani traders. The progressive destruction of regional economic ties and the closing of the Azerbaijan border had a severe economic impact on Northern Iran. Because of its geographic location, it could not easily find a substitute for the lost market of Soviet Transcaucasia, and was heavily stricken by the 1929 crisis.¹⁴² On the Soviet side of the border, economic consequences were not as harsh, since Transcaucasia was integrated into the larger Soviet economic system. The political consequences, however, were significant. Closed borders and diminished direct cross-border trade meant less autonomy for the region. The demise of the Baku fair was one of the most vivid manifestations of the spatial revolution that reshaped the mental, economic, and political geography of the Caucasus, breaking ancient connections and putting the “two Azerbaijan” on diverging tracks.¹⁴³

SUMMARY

From 1922 to 1930, the Baku trade fair played a key role in the development of economic relations between the Soviet Union and Northern Iran. Conceived by Azerbaijani leaders as a means to increase their influence in the Transcaucasian Federation and vis-à-vis the central authorities, it maintained a high level of economic interdependence between Soviet Azerbaijan and Iranian border regions. It was also a powerful channel for political and cultural interactions. However, the spatial revolution that accompanied the consolidation of the Bolshevik regime entailed a progressive refiguring of Soviet peripheries and severing of traditional cross-border economic and cultural contacts. The end of the NEP created a rift between Iranian merchants and Soviet economic institutions, undermining the importance of the fair. After the first crisis in 1926–1927, the Baku trade fair was subjected to ever

¹⁴² Consul Urquhart to Mr. Butler, Tabriz, August 31, 1936 // PRO. FO 416/94. Pp. 76-87.

¹⁴³ For contemporary developments of the Azerbaijani borderland, see Brenda Shaffer. *Borders and Brethrens. Iran and the Challenge of Azerbaijani Identity*. Cambridge, MA, 2002; Gilles Riaux. *Ethnicité et nationalisme en Iran. La cause azerbaïdjanaise*. Paris, 2012.

increasing criticism and was eventually abolished in early 1930. Its disappearance illustrated the successful reshaping of the Caucasian borderland by Soviet authorities and the disruption of traditional Azerbaijani links with Iran and the Middle East.

РЕЗЮМЕ

С 1922 по 1930 г. Бакинская торговая ярмарка играла ключевую роль в экономических отношениях СССР и Ирана. Задуманная азербайджанскими лидерами как способ усилить свое влияние в Закавказской Советской Федеративной Социалистической Республике в противовес Москве, ярмарка поддерживала традиционно глубокую экономическую интеграцию хозяйства советского Азербайджана и приграничных провинций Северного Ирана. Пространственная революция, сопровождавшая становление и консолидацию большевистского режима, стала причиной изменения характера советских окраин и разрушения традиционных трансграничных экономических и культурных связей. Свертывание нэпа усилило напряжение между иранскими купцами и советскими торговыми организациями, подрывая экономическое значение ярмарки. После первого кризиса Бакинской ярмарки (1926–1927) она стала объектом нарастающей критики и в итоге была закрыта в 1930 г. Прекращение Бакинской ярмарки свидетельствовало об успешной трансформации советских окраин и окончательном разрушении традиционных связей Азербайджана с Ираном и Ближним Востоком.