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ON THE HISTORY OF COGNAC PRODUCTION IN ARMENIA Part I – Before 1917 Revolution

By Igor Grigorian

Good brandy should be treated like a woman. Do not assault it. Coddle and warm it in your hands before you sip it. — Winston Churchill

“Don’t tell France, but the world’s best Cognac is flourishing in Armenia. Or, at least, that is what the Armenians say,” writes Hannah Walhout (alcoholprofessor.com, blog post March 31, 2016). Well, let us agree to disagree; France has known about it since 1900, when the blind testing of the cognac



Fig. 1: Front and back of post card showing site of 1900 tasting

produced in Armenia (part of the Russian Empire at the time) resulted in the Grand-Prix at the International Exhibition in Paris (Fig. 1). France takes pride in their viticulture which goes back to the times when the Gauls



Fig. 2: Marcus Aurelius Probus

produced wine from wild grapes; then they further cultivated it. In the 3rd century Roman emperor Marcus Aurelius Probus (Fig. 2) extended the privilege of owning vineyards and

making wine to all Gauls. But the origin of grapes comes from ancient Armenia. According to Bible accounts, while descending from the Mountains of Ararat (Fig. 3) Noah planted a grape vine thus starting a process that is alive ever since. So far, the oldest wine production was evidenced in Armenia, at a cave in Areni village dating back 6,100 years (Fig. 4).



Fig. 3: Noah descends from Mt. Ararat. Armenia Scott 458

Greek historian Xenophon testified that beer brewing in Armenia developed at the same time. In the *Anabasis* he wrote:

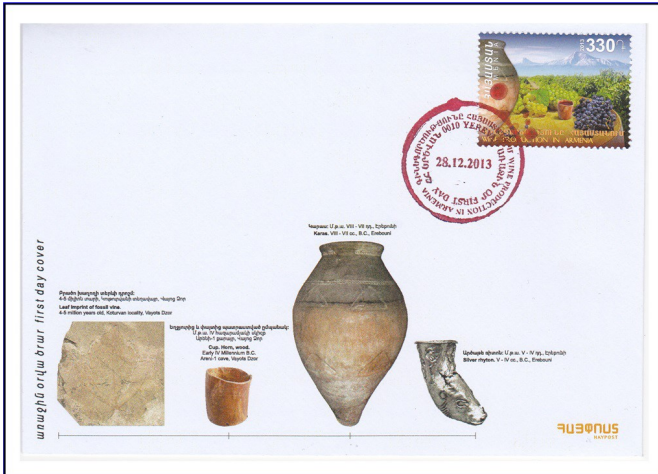
Continued on Page 3

Also in This Issue

Study Unit News	2	New Issues	12
Sexual Confusion in Vineyards (A. Smith)	8	Checklist Update	15
To Exhibit or Not to Exhibit (D. Collett)	10		

Continued from Page 1 "There were stored wheat, barley, vegetables, and barley wine in the craters (clay pots). In the upper level of vessels with the edges in the wine floated barley, and there was stuck a reed, large and small sizes, and who wanted to drink, had to take a reed in his mouth and pull it through the wine. Not mixed with water, the wine was very strong, but for local people it was a very pleasant drink." (Fig. 5).

more elegant and pleasant product, which was called brandy (from Dutch word brandewijn,



Top: Fig. 4: 6100 year-old winery. Armenia Scott 978
Bottom: Fig. 5: Beer production. Armenia Scott 651

The origin of cognac per se goes back to the 16th century, when Dutch merchants came to France to purchase salt, wood, and wine. Preserving the wine during long trip home presented a challenge, and they started distilling the wine into so-called eau-de-vie, meaning "water of life." (Fig. 6) Eventually, it was realized that a second distillation made it an even finer,



Fig. 6: Products imported from France included eau-de-vie



Fig. 7: Old Cognac distillery and cooper's tools, 17th-18th centuries, Hennessy Distillery

burnt wine). In the 17th and 18th centuries main cognac producers, such as Jean Martell, James Hennessy (Fig. 7), Remy Martin (Fig. 8), and Thomas Hine (Fig. 9), further advanced the technology. By the 19th century cognac was not traded in barrels anymore, but rather in bottles,



Fig. 8: Remy Martin advertising postcard



Fig. 9: Original Hine Cognac label



Fig. 10: David Sarajishvili. Georgia Scott 245

which boosted the glass and cork industries.

Hennessy had its first sale in the Russian Empire in 1825, but it took another 60-some years before the production of brandy started in the Empire's territories. Vodka and wine were so much cheaper and popular than investing in the double distillation process did not seem feasible for several decades. It was not until

1889 that Georgian businessman David Sarajishvili organized first cognac production at Kizlyar, Dagestan. (Fig. 10)

Nerses Aghadjanovich Tairov

In Armenia, First Guild Merchant, entrepreneur, and philanthropist Nerses Aghadjanovich Tairov (also Tairian or Tairianz - Fig. 11) became the founding father of cognac production. Born in Karaklis (Karakilisa, modern Vanadzor - Fig.12) in 1833, Nerses Tairian graduated from the Moscow Agricultural Academy and advanced his knowledge in France. Upon return to Armenia (at the time part of the Russian Empire)



Fig. 11: Photo of Nerses Tairov



Fig. 12: Karakilisa Postmark

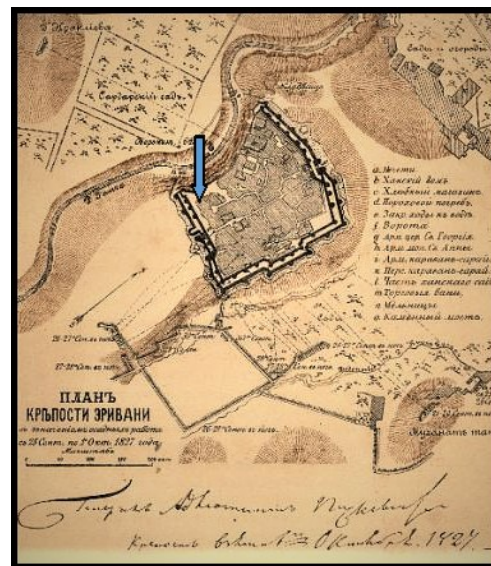


Fig. 13: Plan of Erevan Fortress In 1827. Blue arrow points to future location of distillery

Tairian settled in Erevan, and in 1870s he acquired land within the territory of Yerevan Castle (Fig. 13 and 14) from brothers Hairapet and Nahapet Ter-Hovakimians (the castle was



Fig. 14: General view of Erivan. Future distillery building is in lower part of postcard.

built by Sardar Khan in XV century during the period of Persian occupation).

Expanding his holdings to include adjacent land including several Dalma fruit gardens, Tairian established numerous vineyards. Following the advice of his cousin Vasyli Egorovich Tairov, already a prominent Russian viticulturist (Fig. 15), on March 6, 1874 Tairian started wine, vodka and doshab (molasses) production, and the factory became known as *Fruit & Grape Fire Plant No. 1 of the Erivan First Guild Merchant Nerses Aghadjanovich Tairov's In the City of Erivan on Shosseynaya Street in His Own House*, according to true words of his trusted manufacturer and distiller, Ruben Merabov. Because of the quality, his products enjoyed more and more demand, and in the beginning of 1880s Tairian invited famed the winemaker from Tiflis, Garegin Kharaziants, to improve the distilling process. His factory was in a single-story stone building for distillation and had 217 large amphorae for wine with a total of 12,000 bucket capacity and 6 oak vats of 150-200 bucket capacity each. (Note: A bucket is an archaic unit of measurement equivalent to 18 L.)

To improve the quality of his wine, Tairov invited Yerevan-born Mkrtych Musinian to serve as chief technologist. Musinian was a graduate of the Academy of Viticulture and at the time was working in Montpellier, France, a center of wine production. This arrangement lasted until 1899; despite excellent quality of the product, Tairov was unable to realize success with the product: rather than buying cheap Armenian cognac, consumers preferred expensive French brands.

Facing bankruptcy of what he thought to be a successful enterprise Tairov pawned his factory in the Bank of Tiflis.



**Fig. 15: Vasyli Egorovich Tairov
Ukraine Scott 781-82**

Nikolay Nikolayevich Shustov

The subsequent history of the cognac production in Armenia is associated with the Shustov family. In 1802 Leontey Shustov, a son of a serf, was freed by his landowner, General Izmailov, and moved to Moscow. Although he officially was registered as a deacon at one of the monasteries, it was his hobby of collecting recipes for liqueurs that created a basis for a future successful company. It was his son, Nikolay Leontievich, who got interested in the alcohol business.

Starting small (one distillery apparatus and 3 hired help) Nikolay L. Shustov, having a fine taste of vodka (it was called bread wine at the time), came up with a motto – Quality Above All. The Moscow vodka market was extremely competitive, but his enterprise gained recognition and was very successful; small quantities of the product were compensated by its fine quality. When his first male heir Nikolay (Shustov had four daughters prior to having his first son), he started to think seriously of what his legacy might be and what inheritance he was going to leave behind. In 1881 Shustov, now with 18 employees, 3,950 buckets of vodka, and a total of 20,100 rubles was only number 16 in the Russian market

In 1888 Nikolay L. Shustov officially initiated his son Nikolay into the company and the *N.L. Shustov and Son* became the official name of the firm. By 1889, because of the Shustov's outstanding enterprising abilities, the annual turnover of the company reached 1,150,000 rubles, and production accounted for 13,000 buckets of distilled wine and over 6,000 buckets of vodka and liqueurs.

By 1897 *N.L. Shustov and Son* owned a vodka and a liqueur factory, two wholesale storages (one for wine and spirits and one for grape

80% of Armenian cognac production. The major accomplishment for the company became the 1900 International Exhibition in Paris, France. Well aware that only spirits produced on the territory of French province Cognac were allowed to carry the label cognac (Fig. 17), Shustov incognito sent *Fine Champaign Select* created by Mkrtych Musinian for a blind testing; his cognac was awarded the Grand Prix (Fig. 18). Learning that the producer was not French, an exception from traditional rules was made and Shustov was allowed to use word *Cognac* (and not

brandy!) on his labels. 2,000 wholesalers (K. Depre, A. Arabaji, Yeliseyev brothers, etc.) were amongst his permanent clients. In 1899 to manage the quality of the cognac and control over the technology of the production, Shustov hired Kirill Silchenko, a



Fig. 16: The Shustovs

wines). Their annual turnover reached 3 million rubles and the company would sell around 100,000 buckets of liqueurs and 400,000 buckets of distilled wine. The name of the company was changed to *N.L. Shustov and Sons Co.* (Fig. 16) to include the other three sons and was hailed to be second to only *Vodka Empire* of Peter Smirnoff.

But the most successful acquisition of the company was the pawned factory of Nerses Tairov in 1899, a year after the death of Nikolay L. Shustov. His eldest son Nikolay N. Shustov took over the leadership of the company, with his brothers Pavel, Sergey and Vasyli serving on the board.



Fig. 17: Cognac Postmark

The Shustovs cognac expansion into Ararat valley resulted in opening seven new branches in different parts of Armenia, forcing out small producers and accounting for

graduate of Nikitinskaya School of Winemaking who devoted all his life to the factory. He was called a Ukrainian son of the Armenian people which was the best honor people could attribute



Fig. 18: Supplement to Budilnik No 50 announcing Shustov's award at the World Fair in Paris

to a person of different nationality.

To call Nikolay N. Shustov the King of public relations is not to give him enough credit. Following the steps of his father who hired students in Moscow to demand his brand of vodka, Shustov hired young men, dressed them accordingly, and paid for their travel to Europe and America with only one goal: along with a

beautiful lady visit an expensive restaurant, ask for the best food, and when the table was laid to demand Shustov cognac. When told that the name Shustov was never heard at that restaurant, the young men were supposed to offer their apologies to the ladies, pay for the food they ordered without touching it and tell the restaurant management that they would never visit such an unworthy place again. Within



Fig. 19: Shustov Bell

months, restaurants around the globe started offering Shustov cognac which enjoyed great success among clients. His domestic advertising was even more aggressive. Posters with his company sign, a copper bell (Fig. 19), decorated sides of steamers and dirigibles, screwed onto horse carriages, and even trams (Fig. 20).

A most readable newspaper *Niva* would



Fig. 20: 1905 Motor wagon on two axle carriage Viennese style with Shustov Cognac ad

have Shustov cognac advertising right under its name (Fig. 21). Anecdotes were printed in newspapers, like this one:

Which fires are not to be put off?
 When a lady is burning of shame
 When the flames of love envelopes the heart
 When love-sick people through amorous glances
 When the soul is burning form a desire to savor a shot of Shustov cognac.

It was also said that famed Russian actress Tamara (no last name was ever known) while



Fig. 21: Niva newspaper

starring in *Bespridannitsa (Without a Dowry)*, a play by Ostrovskiy, would demand Shustov cognac as a part of her role, although when the play was written Shustov cognac was not produced. For this little historical tale, she was paid 1,500 rubles a month.

The advertising played its role; soon not only in Russia but abroad as well people were talking about Shustov cognac. In 1912 Shustov & Sons Co. was awarded a privilege to become Suppliers of the Court of His Imperial Majesty, an honor that was given to a company that during the prior eight years received no single complaint on the quality of the product.

The 50th Anniversary of the company was magnificently celebrated in 1913. Unlimited cognac and wine; and 60,000 rubles bonus to each worker! By that time annual turnover of the company totaled enormous for Russia sum, 10 million rubles, and its assets were worth 6 million rubles. Who would imagine that this would be the last successful year for the company? The war stopped everything. Production and sales of alcohol was prohibited by the Russian State Duma; according to a 1915 report on excise duties, none of 14 factories in Erivan province were open.

Then the October Revolution followed. All assets of Shustov & Sons were nationalized. Nikolay Shustov died in 1917 and his brothers in vain petitioned the government of the Republic of