Distilleries and Breweries

The Bluegrass area was known for distilling fine bourbon throughout the 19th century. By 1915 about 70% of the nation’s whiskey was distilled in Kentucky. Lexington was home to three nationally-known brands, all located on Manchester Street: E. Pepper, Old Tar, and Old Elk. There were several more prominent distilleries in Frankfort and Lawrenceburg areas to the west. There were also several breweries in or near Lexington. The largest and best known of these was the Lexington Brewery Co. on East Main opposite Deweese Street. It produced “Dixie” beer.

When Prohibition took effect, the Pepper warehouse held around 2,600 barrels of whiskey, with somewhat less in the Old Tar warehouse. Early on, burglars targeted both warehouses. In March 1920, masked bandits overpowered the two guards at the Old Tar and hauled away 96 cases. Around 1:30 a.m on December 2, 1920, a dozen or so bandits climbed out of Town Branch Creek and attacked a federal agent and a guard at the Pepper Warehouse. An exchange of gunfire followed, but two were no match against 12. The agents was killed and the guard fled. The shootout scared off the raiders, with their empty truck and two touring cars roaring out of town on Old Frankfort Pike. Neither they nor the Old Tarr robbers were ever caught. Rumors abounded that they had come from Northern Kentucky or even Chicago.

Warehouse security was beefed up afterward. In 1922, the Prohibition Bureau adopted a “concentration warehouse” policy whereby one company would store the bonded whiskey of nearby distilleries. Local Supplies were concentrated in the Pepper Warehouse, which was heavily guarded.

For several months after the advent of Prohibition, the Lexington Brewery openly continued to brew and distribute full-strength beer. It may have gotten away with it because Tom Bradley, Lexington’s mayor, was an investor. Even after federal agents put an end to open operation, the brewery occasionally brewed regular beer. In the June 1922 raid, agents seized more than 6,000 bottles. While stored in the basement of the Federal Courthouse at the corner of East Main and Walnut (now North Martin Luther King Boulevard) streets, several hundred bottles mysteriously disappeared. The Prohibition Bureau Chief ordered the rest of the beer (except a hand full of bottles saved for evidence) dumped into the storm sewers. The brewery was closed for a year (it had been licenced to made near-beer) and six employees were convicted. The mayor and other investors were never charged.