

ASHLAND DISTILLERY (RD #1)

Turner, Clay & Company (1865 – 1871)
Wm. Tarr & Company (1871 – 1899)
Kentucky Distillers & Warehouse Company
(1899 – 1902, 1908 – 1923)
Stoll & Company (1902 – 1908)



Sanbourne Map, 1894

In 1865 Turner, Clay & Company established the Ashland Distillery on Manchester Street (Old Frankfort Pike at Cox Street, at the city limits). This distillery was the first to obtain a federal register distillery license in Lexington and was assigned RD #1. The firm was comprised of Horace H. Turner, Samuel M. Clay and Thomas Mitchell (which see). Messrs. Turner, Clay and Mitchell were prominent merchants in Lexington. The property was purchased on November 12, 1866 for \$10,000.²¹

They advertised “Manufacturers of Pure Copper Distilled Whiskey, at Ashland Distillery, ns Manchester, west of Cox.”²² Their product was known as “*Ashland*” whiskey. The firm produced twenty four hundred barrels from October 1868 to January 1869. The firm was averaging thirty barrels per day, slightly less than the



thirty-seven barrel capacity. They also completed their bonded warehouse in December 1868, which was said to be “fire proof”.²³

This firm operated the distillery for five years, before liquidating after the death of Mr. Turner in 1871. Mr. Turner’s estate included \$17,745 received from the distillery, less liabilities of \$11,364, for a net of \$6,381.²⁴

Wm. Tarr & Company:

In November 1871 William Tarr (which see) of Bourbon County and Thomas J. Megibben (which see) of Harrison County acquired the distillery and restarted whiskey production. Mr. Tarr was a prominent land speculator and Mr. Megibben was a successful dry goods merchant. Both were also distillers, entering the business before the Civil War. They continued to produce “*Ashland*” and introduced “*Wm. Tarr*” whiskey. Both brands were distilled in a rye and bourbon version.

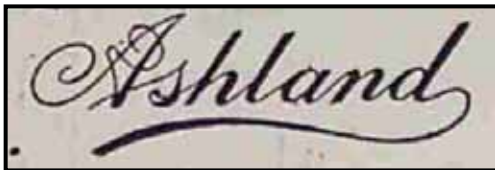
In May 1879 a fire destroyed the distillery. Distilleries were always prone to fires given their wooden construction and the volatile nature of their products. This fire (and the Phoenix Hotel fire later in the month) forced the local business community to establish a waterworks to lower insurance rates. The waterworks provided a year round supply of water to fight fires.

The distillery was reorganized in September 1879 as Wm. Tarr & Company – a partnership consisting of William T. Tarr (President), Thomas J. Megibben, Sam Clay, Jr. (which see) and Joseph M. Kimbrough (which see). Mr. Clay was a broker that distributed the company’s whiskey. Mr. Kimbrough was Mr. Megibben’s son-in-law and managed the plant. They owned forty, forty, ten and ten percent, respectively. The plant was rebuilt at the cost of \$75,000. The renovated facility was valued at \$115,000.

The firm’s property included eleven acres. The rebuilt distillery and warehouses were made of brick construction. The company had two warehouses - Warehouse #1 (two adjoining buildings) and Warehouse #2. The warehouses covered an area of one and half acres. The firm had the annual capacity of six thousand barrels.

The distillery's floor space covered twenty five thousand square feet. The plant has fourteen fermentation tubs, with the capacity of nine thousand five hundred gallons each. The primary mash tub held ten thousand gallons, with four hundred smaller mash tubs of one hundred and one gallons each. Before refrigeration equipment, these smaller tubs allowed the product to cool faster than a larger tank. The beer still's daily capacity was five thousand gallons, while the doubler had the capacity of twenty five hundred gallons.

The distillery operated three steam engines, with a total one hundred twenty five horsepower. In 1882 the company had thirty-five employees, paid \$1.75 per day. The company's production was approximately forty-five barrels per day. The company daily mashed three hundred bushels of corn and one hundred twenty bushels of rye and barley malt. The corn was purchased locally from Fayette County and generated an estimated \$30,000 in sales for the local farmers. The rye and barley malt was purchased out west and shipped in on the railroad. The firm had eighteen thousand barrels in bonded storage.²⁵



The Louisville, Cincinnati & Lexington Railroad's yard (later Louisville & Nashville Railroad) was adjacent to the plant, with a siding running into the distillery.

Water was supplied to the distillery from the Ater Spring^a, two hundred yards to the west of the plant. The spring was under lease to the company. The lease was for twenty-five years, with an annual payment of \$100. The distillery constructed "a stone wall around the spring also to cover the spring with a small house the better protection of the water".²⁶ Later Mr. Tarr purchased the spring property. Pumps

^a Ater Spring was located on the original land grant of Frances McConnell (and thus a possible location for the founding of Lexington). Around 1800 the site was used by Alexander Turner as a distillery. Mr. Turner was the great uncle of William Tarr. During the War of 1812 a hemp bagging plant was located on the site. Later the Ashland and Lexington Distilleries both drew water from this spring. After the fires of May 1879 it was considered for the city's waterworks. The spring was later covered in the 1910s when the L & N expanded its yard.

supplied two hundred thousand gallons of fresh limestone water daily through two three-inch pipelines. The water was at a constant temperature of fifty-seven degrees.



“Ashland”, circa 1900s



“Old Tarr”, circa 1890s



“Old Tarr”, circa 1900s

The distillery maintained a cattle-feeding operation with the stillage on the ground for five hundred head. During 1881 a cooper shop was built at the distillery that produced fifty barrels per week, with twenty employees.

In 1882 the distillery produced the *“Ashland”*, a sweet mash, and *“Wm. Tarr”*, a sour mash (later known as *“Old Tarr”*) brand of whiskey. The sweet mash was held for ninety-two hours and the sour mash for ninety-six hours.²⁷

The company had sixteen thousand ninety barrels in bonded storage in 1882. Their annual production was six thousand barrels, valued at \$150,000.²⁸ In 1884 Sam Clay, Jr. left the partnership after a disagreement over the sale of the Kentucky Union Railroad (see Kentucky Union Affair). Distributions of the distillery’s products were assumed by J. A. Lail & Company (which see). From 1886 to 1890

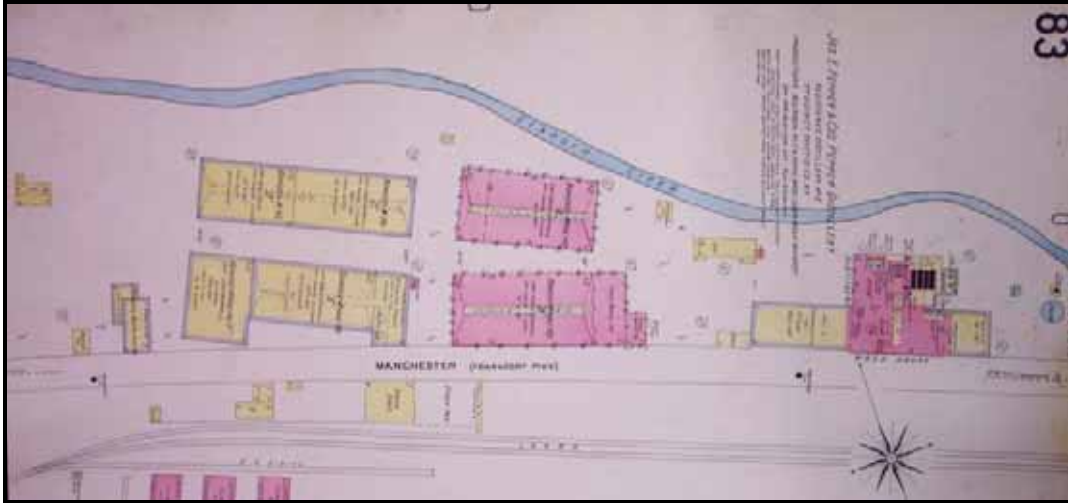
HENRY CLAY DISTILLERY (RD #5)

Headley & Farra (1869 – 1872)

Jas. E. Pepper & Co. (1879 – 1907)

James E. Pepper Distillers Company (1907 – 1933)

Schenley Products (1933 – 1976)



Sanbourne Map, 1894

The Henry Clay Distillery was built in 1869 by the partnership of Headley & Farra (which see). This partnership consisted of John A. Headley and James A. Farra.⁴¹ The firm purchased four acres for \$2,000, from Judge George Robertson in January 1869.⁴² The plant was located a mile outside of the city limits on Old Frankfort Pike. This was the location of the Royal Spring and old Royal Mill. The distillery operated for about three years until it was destroyed by fire in 1871. The loss was set at \$15,000.⁴³

After the fire, the property was sold by the Federal government in August 1872 for unpaid taxes. Mr. Headley later founded the Woodland Distillery on Harrodsburg Pike. Between 1875 and 1879 the property was used as the Blue Grass Pork House. The property was sold to George C. Buchanan^a, a Louisville distiller and land speculator, and sold on 7 April 1880 to George A. Starkweather, Jr., a wine importer of New York City. The purchase price was \$7,429.12 (cash of \$4,096.12 and assumption of notes of \$3,333.33).⁴⁴

^a George C. Buchanan operated Newcomb, Buchanan & Company, whiskey brokers of Louisville, Kentucky. In 1872 he was the largest distiller in Kentucky, with the Anderson, Nelson, Buchanan and Greystone (later Elk Run) Distilleries. He was connected with Parris, Allen & Company, an English investment bank. He sold out to the trust in 1905.

Jas. E. Pepper & Company:

In 1879 George A. Starkweather, Jr. established a partnership with James. E. Pepper (which see) and reconverted the old plant to whiskey production.⁴⁵ Colonel Pepper came from a family of distinguished distillers.



Colonel James Edward Pepper

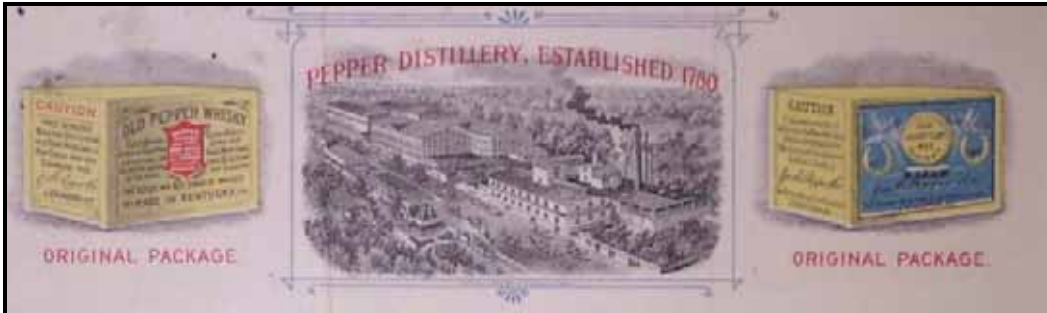
<M. Veach>

Colonel Pepper designed the distillery and the layout of equipment. He hired John McMurty, noted local architect, to translate these ideas into plans and specifications. The grounds contained forty-eight and half acres. The distillery was constructed of brick with floor space of forty thousand square feet. The plant had twenty fermentation tubs of six thousand five hundred gallons and seven hundred mash tubs of seventy-two gallons. The company had a three chambered beer still of twenty five hundred gallons and a doubler of twelve hundred gallons. Both were made of copper.⁴⁶

He installed four steam boilers to provide heat to the mash tubs and stills. Many distilleries still used open flames for heat. In addition, he installed two steam engines of one hundred twenty five horsepower each to supply power. The steam engines drove a series of shafts throughout the plant. These shafts were attached to pulleys and belts to provide power to the machinery. He purchased a six roller mill,

also powered by belts, to grind his grains into uniform consistency. He designed rows of windows on two sides of his plant to allow ventilation and lighting.

These designs, while not revolutionary, allowed the distillery to operate with higher efficiency, improved yields and uniform quality. Moreover, it allowed him to distill a consistent, higher-grade whiskey that was his hallmark.



The distillery plant was finished in April 1880, with the capacity of twenty-eight barrels (roughly three hundred bushels) per day.⁴⁷

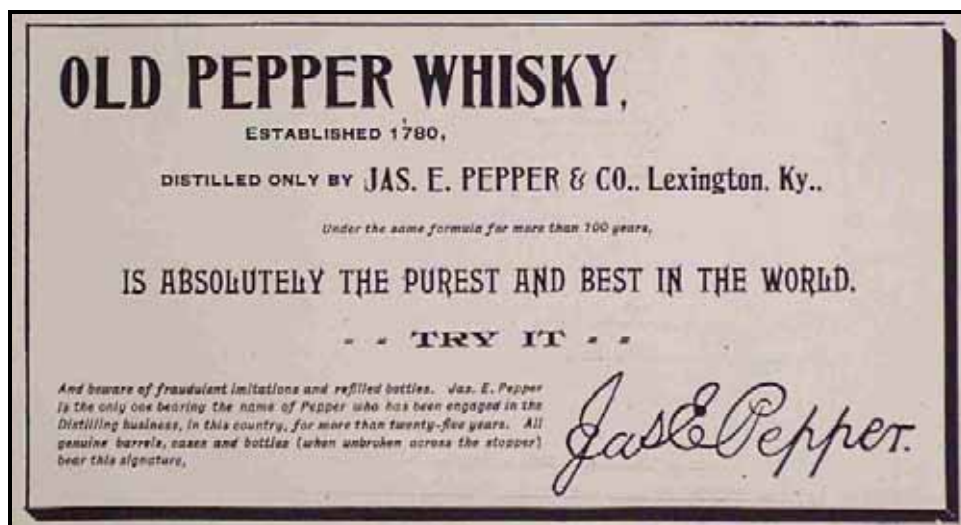
In September 1880 the company let bids for the construction of two bonded warehouses. Both warehouses were roughly nine thousand square feet, four stories high and projected to hold ten thousand barrels of whiskey in storage. The foundations were of stone, walls of brick and roof of iron clad. The first warehouse was finished in late 1880 and the second finished in early 1881.⁴⁸

Over the next twenty years, Colonel Pepper constructed four additional warehouses – giving the distillery bonded storage of sixty thousand barrels. The average distillery in Kentucky had storage for five to ten thousand barrels. These warehouses were:

	<u>Capacity</u>	<u>Year Built</u>
Warehouse “A”	10,000 barrels	1880
Warehouse “B”	8,500 barrels	1881
Warehouse “C”	6,000 barrels	1890
Warehouse “D”	5,000 barrels	1897
Warehouse “E”	8,500 barrels	1897
Warehouse “F”	11,000 barrels	1901

The distillery was supplied water from the farm of Colonel Wilson^a – with a basin of seventy-five feet square – and conveyed to the plant by a five-inch pipeline. The spring was considered in the 1880s for the water works for the city. Two pumps supplied one million gallons per day to the distillery. The water supply seemed inexhaustible and never ran dry. The company maintained five hundred head of cattle on the property, feed from the stillage.

The Louisville, Cincinnati and Lexington Railroad (later Louisville & Nashville Railroad) had tracks on both sides of the distillery, with a siding into the distillery on the Frankfort Pike side.



1893

By 1882 the plant's capacity had been increased to fifty barrels per day and ten thousand barrels per year. The distillery was valued \$125,000. The plant operated for ten months each year, with forty employees at an average of \$1.75 per day. They purchased oak barrels from the Bauer Cooperage Company for \$2.50 each. At the time this plant was the largest distillery in the world.

In February 1882 a fire of unknown origins destroyed the cattle sheds and pens at the Pepper Distillery. The fire occurred at three in the morning and caused the damages of \$4,000 to \$5,000. The loss was fully covered by the Western Insurance Company.⁴⁹

^a Now known as McConnell Springs, a historical park credited as the founding site of Lexington.

“Old Pepper” Brand Name:

In May 1880 Colonel Pepper began distilling “*Old Pepper Whiskey*”. This was a century after his grandfather established the first Pepper distillery. “*Old Pepper*” was distilled to his grandfather’s proprietary formula – developed in 1780, improved by Dr. James Crow and passed down three generations. The whiskey was a sour mash, fermented for seventy-two hours. This name “*Old Pepper Whiskey*” derives from his family name and reflects the heritage and tradition established by his family over the past one hundred years. The distillery also produced a rye whiskey called “*Old Henry Clay*”, a brand inherited from the prior distillery.

He reinforced this image by constantly stressing the quality of his whiskey by promoting its longevity (thus experience) and imitation by competitors. He used the slogans - “Established 1780” and “Purest and Best in the World”. These slogans also tapped into the patriotism following the Civil War. He placed the warning - BE AWARE OF REFILLED BOTTLES – on his labels. This created the impression that his whiskey was so good that others wanted to imitate it. In addition, he sealed his bottles with a stamp bearing the script signature of “Jas. E. Pepper & Co.” Signatures were protected under the forgery laws, which were faster to enforce than a trademark.

He was also one of the first distillers to invest huge sums for advertising and promotion. His success can be measured by that he was able to charge significantly more than his contemporaries.

George A. Starkweather marketed the distillery’s products on the East Coast, while Colonel Pepper managed the production at the distillery. During 1882 the company produced ten thousand barrels, valued at \$300,000. After Mr. Starkweather’s death, in December 1883, his interest was conveyed to James E. Pepper for the sum of \$70,000.⁵⁰

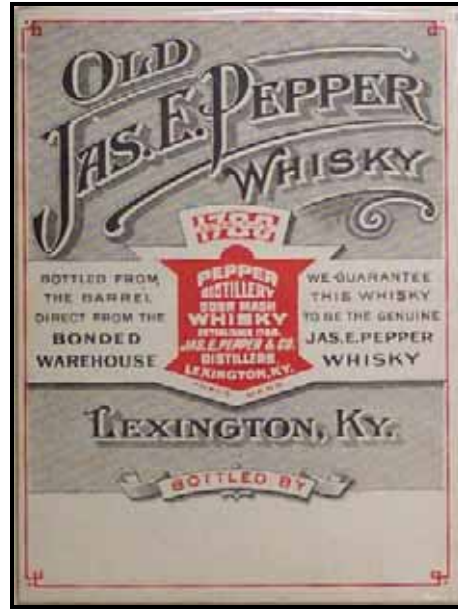
In 1884 Colonel Pepper sold half interest in his company to Colonel William S. Barnes (which see) of Lexington, Kentucky.⁵¹ Both Colonels Pepper and Barnes traveled around the United States promoting “*Old Pepper*” whiskey. Colonel Pepper concentrated on the East Coast, especially New York, and Colonel Barnes promoted in the North and West, especially in the Chicago area. They supplied the whiskey that made the **old west wild**.

Bottling Trade:

Initially, Colonel Pepper sold whiskey in barrels for the “bulk trade”. Distributors from around the country purchased barrels for sale to saloons and bars. The distributors resold the whiskey in barrels, half barrels and jugs. The distiller also supplied “bulk decanters”, with their name in gold leaf, and the retailer filled and refilled the decanters from the barrels.



“Old Pepper”, circa 1880s



“Old Jas. E. Pepper” circa 1900

In 1886 the company began bottling “*Old Pepper*” whiskey in quarts and pint flasks. The company entered the bottling business to counter rectifiers that blended his whiskey with cheaper substitutes. The company supplied distributors, if they wanted, with gold “*Old Pepper Whiskey*” labels. These labels had a white blank on the bottom where the distributor listed their name.

In 1887 the company filed suit to stop the Labrot & Graham Distillery in Versailles from using the “*Old Pepper*” name. That firm purchased the Old Oscar Pepper Distillery in 1878. The court enjoined them from using the “*Pepper*” brand name.

The “*Old Pepper Whiskey*” brand at this time had established strong name recognition across the United States. In the late 1880s Prince Henry of Prussia was served “*Old Pepper Whiskey*” while traveling on the Pennsylvania Railroad.⁵²

Many experts considered it as the best bourbon produced in Kentucky. With its success, the “*Old Pepper*” trade name was constantly being “adopted” by others.

In the late 1880s Colonel Pepper invented the “Old Fashioned” cocktail at the Pendennis Club in Louisville. His formula called for two ounces of bourbon (“*Old Pepper*” of course), a splash of sugar syrup, bitters and soda water.⁵³ He also originated “Bourbon and Branch”, for a bourbon and water. The “Branch” was referring to water taken from the Town Branch of the Elkhorn Creek (where the distillery drew its water supply). Both of these cocktails became famous in New York, where Colonel Pepper personally promoted his whiskey.

By 1889 the bottling trade expanded to a level that the company faced a shortage of aged whiskey. They purchased one thousand barrels from the Wm. Tarr & Company’s Ashland Distillery and five hundred barrels from other distilleries. This whiskey was blended under Colonel Pepper’s supervision with the existing stock of “*Old Pepper*” whiskey.

In 1890 the company advertised that “*Old Pepper Whiskey*” was a “grand medicine for Consumption, Malaria, etc.” This was prior to federal regulations, such as the Pure Food and Drug Act of 1906.

In January 1891 Colonel Pepper advertised that he used “rye, barley and corn in a 100 year old formula” and the he mashed” by hand one bushel at a time in 1,000 small tubs with NO yeast added and single and double distilled over an open fire”.⁵⁴ During April the distillery sold out of all its aged whiskey from 1887, 1888 and 1889. Colonel Pepper indicated the inventory was sold to over ninety brokerage houses around the United States and he had set aside fifteen hundred barrels for himself.⁵⁵

In 1891 the trade paper stated that the “reputation established by this brand (“*Old Pepper*”) throughout the eastern States, and especially in New York City, has been the wonder of the entire trade and competitors of the house”.

In July 1891 Colonel Pepper brought out Colonel Barnes for \$100,000 (cash of \$60,000 and broodmares valued at \$40,000). Over the ten years, Colonel Barnes had taken out an estimate of \$250,000 in profits; receiving \$25,000 to \$30,000 annually from his interest.⁵⁶