

Jaquelin Plummer “J. P.” Taylor: Visionary Builder of the Tobacco Industry and Pioneer of Post- Civil War Southern Business Enterprise

Introduction

Jaquelin Plummer Taylor (also known as “J.P.” and “Jack”) founded J.P. Taylor Company in 1886. He managed the company’s growth and expansion until 1918 when he merged it into the newly created Universal Leaf and Tobacco Company. He remained on the board of Universal until his death in 1950.

The reference source that used to compile this profile qualifies both as an excellent biography and as a comprehensive account of the history of the tobacco industry of Virginia and North Carolina. The book also contains a considerable amount of municipal history, as well as short biographical sketches of other key figures in the development of the tobacco industry. The first two chapters of the book provide the fundamental account of the career and vision of J. P. Taylor. The book cited in this essay provides a comprehensive history of the Universal Leaf Tobacco Company from the “root” enterprises which led up to it all the way up to 1995.

Jack Taylor was one of the founding fathers of the American tobacco industry, and the global tobacco industry. He was a man of vision and integrity who as a young man overcame the poverty and turmoil of the war-torn South, became an expert in all facets of an entire industry, helped build a North Carolina city into a global market center, transformed Richmond, Virginia, into the world’s foremost tobacco buyer/seller city, and restored his family’s property which had been lost during the Civil War. Taylor was a man who believed in giving opportunities to sincere young people who aspired to

business success, and whose career culminated in the founding of what remains today as the leading leaf tobacco dealing enterprise in the world.

General Historical Background

The Confederacy underwent numerous violent changes during the period from 1861 until 1865. This period of the American Civil War could never be said to have been “overlooked” in historiography. Furthermore, the era immediately subsequent to the closure of the Civil War, the Reconstruction Era, also occupies an undeniably prominent position in American historiography. Commercial and industrial development in the United States during the Reconstruction Era was unparalleled, perhaps in recorded history. The birth and growth of firms such as the Standard Oil Company, the Pennsylvania Railroad Company, the Lehigh Coal & Navigation Company, the Southern Pacific Railroad, and others, provides ample evidence of this. Moreover, the uniqueness of this period in United States economic history is shown by the extraordinary commercial achievements of major population centers such as Cleveland, Cincinnati, Chicago, Pittsburgh, New York, Philadelphia, and St. Louis. Smaller metropolitan regions such as Akron, Canton, Toledo, in Ohio, Johnstown, Bethlehem, and Butler, Pennsylvania, and Springfield, Peoria, and Quincy, Illinois, also rose to national and international prominence and fame through their contributions to national and foreign commerce and invention. These cities, along with hundreds of others, have long been recognized as hotbeds of industrial growth and innovation.

One characteristic which all of the enumerated cities share is that all of them are located in the American North, that is, in the region which was the decisive victor in the

Civil War. Historiography often neglects the commercial and industrial achievements and successes which occurred in the American South, both pre and post-Civil War.

“Often overshadowed by the attention given the new industrial giants were equally enterprising young men who came from farms rather than factories, from the rural South rather than the urban North, and whose rise from modest circumstances was no less dramatic than that of the captains of industry.”¹

Among the most important of the post-Civil War business enterprises was the Universal Leaf Tobacco Company, of Richmond, Virginia. More specifically, among the foremost Southern business visionaries, and the one who conceived of and built Universal Leaf, was Jaquelin Plummer Taylor (J. P. Taylor).

“The least known today of these tobacco barons, Taylor improved upon his every opportunity until he eventually founded the Universal Leaf Tobacco Company, which has long been regarded as the world’s largest independent dealer in leaf tobacco and is now the centerpiece of a billion-dollar conglomerate with diverse global operations.”²

Family Background and History of J. P. Taylor

Jaquelin Plummer Taylor was born March 2, 1861, at Meadow Farm, in Orange County, Virginia. This is located in the Virginia piedmont regions, very near Charlottesville, and approximately 60 miles from Richmond, Virginia. J. P. was descended from a prominent Virginia family, which claimed individuals such as James Taylor II, who served as a militia colonel and a member of the House of Burgesses, and was an explorer of the wilderness regions of Virginia’s Shenandoah Valley and Blue Ridge Mountains. The family settled in Orange County on a large plantation. The family

¹ Daniel P. Jordan and Maurice Duke, Tobacco Merchant, UP of Kentucky (1995) 1.

² Ibid.

also included relatives such as Presidents James Madison and Zachary Taylor, both of whom had come from Orange County. The Taylors represented what has been termed “Piedmont Aristocracy,” the landed families who settled the inland reaches of Virginia. Taylor’s father, Erasmus Taylor, had served as a chief quartermaster for the corps under the command of Confederate General James Longstreet. The Civil War ravaged the Virginia Piedmont, as with so many other Confederate regions, and this affected a vast number of people. The Civil War reduced the value of Erasmus Taylor’s personal property from over \$26,000 to about \$3,000. The family had been devastated. The educational opportunities that J. P. would have had otherwise were forever lost. “In an earlier day he would have likely gone to a private academy and then to the University of Virginia, after which he would embarked on a career as gentleman-planter or lawyer-planter, in time inheriting some piece of the Taylor legacy.”³ Such prospects would never again be available to J. P., but the desperation of the postbellum era in the South was fraught with opportunities for young visionaries such as Taylor. “Instead, his education was limited to what he could absorb within the family and to a brief stint at The Meadows, a poverty-ridden school operated in nearby Albemarle. . .”⁴ J. P., or “Jack,” as he was known, also witnessed the reckless speculations of his father, who had attempted with utter failure to regain wealth through iron ore mining in Orange County.⁵

Vision for a New Era: The Road to Richmond

Jack Taylor left war-torn Orange County for Virginia’s capital city of Richmond, with an intention to learn the tobacco trade. “Necessity was his great teacher.”⁶ It is not

³ Ibid. 3.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

known how much Jack knew of the tobacco trade, but is had been prominent in his native Orange County. “But first he would have to learn business from the bottom up, which would be Richmond’s initial contribution to the Taylor story.”⁷ The cultural perception of tobacco at the time of Taylor’s move to Richmond was quite positive. “Antebellum Richmond had been the tobacco capital of the world in an era when one city resident said the leaf was “in almost everyone’s mouth, either for mastication, fumigation, inhalation, or discussion.”⁸

Taylor came to Richmond in 1878. He found employment at Alexander Cameron and Company, one of the “Big Four” of the tobacco industry, and whose business included Virginia and Australia, among other diverse locations. Taylor entered the tobacco industry as a laborer. He lived in the attic of the Cameron Home. His first job consisted of placing labels on containers. Despite the humble position, Taylor took advantage of the opportunity to study the tobacco industry. “Richmond’s seventy-five tobacco factories ranked first among American cities and provided, in effect, a school as well as a testing ground for the fledgling entrepreneur.”⁹ Taylor remained in Richmond for three years, having learned a great deal of the industry from the perspective of the tobacco leaf and its manufacturing processes. He always paid close attention to trends in the industry, and had noticed that Danville, Virginia, a rival to Richmond in the industry, would be an ideal place to learn the industry from the vantage point of buying and selling tobacco. Danville was at the time known as the ““world’s best tobacco market.””¹⁰

The Danville Lessons: The Ways of the Tobacco Dealer

⁷ Ibid. 4.

⁸ Ibid.

⁹ Ibid. 5.

¹⁰ Ibid.

Taylor was twenty years old when he left for Danville, and found a position under James Penn, who had become a leading tobacco purchaser and dealer, on an international scale, and who was a principal buyer for the Japanese governmental monopoly on tobacco. Taylor prospered in Danville as a tobacco dealer, and earned enough money and began salvaging the family home, Meadow Farm (his long-time ambition). After learning the purchasing-selling aspect of the tobacco industry, Taylor left for Henderson, North Carolina.

The Road to Henderson: The Lessons for the New Tobacco Entrepreneur

Arriving in North Carolina in the 1880s, Taylor brought knowledge of the tobacco leaf, production, manufacturing, and dealing, aspects of the industry. At the age of 25, he formed a business enterprise under the name of J. P. Taylor & Company. The business conducted the business of tobacco exportation and shipping. One decade later, the J. P. Taylor company was known as one of the largest forms of its type in the South. While in North Carolina, Taylor befriended James Buchanan “Buck” Duke, who organized the American Tobacco Company, and who later endowed Duke University. Taylor had built a technologically advanced factory, known to be one of the most advanced in the South, and had helped build the city of Henderson as one of the foremost tobacco centers of the globe.¹¹ Taylor became the president of the Henderson Storage and Inspection Company, which was the first organization of its kind in North Carolina. This was also “evidence of Taylor’s entrepreneurial spirit.”¹²

Taylor also became an excellent judge of young ability, and was committed to promoting aspiring young employees within the industry. He employed the young

¹¹ Ibid. 8.

¹² Ibid.

Rommie Purefoy Watson in the J. P. Taylor firm, and helped promote him through the trade. Watson eventually formed the R. M. Watson Company, with the help, commitment and dedication of Jack Taylor. The R. M. Watson Company became one of the tobacco industry's largest firms. Taylor had helped bring Watson's positive visions to fruition, as Alexander Cameron had done for Taylor himself years earlier in Richmond.¹³ Taylor also helped build non-tobacco enterprises in Henderson, and gave back to the town that had given him so many opportunities.

Return to Richmond: The Birth of Universal Leaf

Although Taylor's exact reasons for relocating to Richmond are not fully understood, it is evident that he perceived the city's obvious advantages of geography, variety of tobacco, and capital availability.¹⁴ "In Richmond, dealers had access to the three most desirable types of American leaf for cigarette manufacture: the low-nicotine bright or flue-cured tobacco to the south and southwest; the highly absorbent, air-cured burley to the west; and the long-burning, air-cured Maryland type to the north."¹⁵

Taylor succeeded in discerning the market trends yet again with the onset of World War I. "With the outbreak of World War I in 1914, demand for American tobacco soared, and Taylor took certain steps that served as necessary preliminaries to the founding of the Universal Leaf Tobacco Company in 1918."¹⁶ On June 30, 1916, Ernst & Ernst gave a report on the financial status of J. P. Taylor Company of North Carolina. On July 11, 1916, the J. P. Taylor Company of Virginia was incorporated, for the purpose of

¹³ Ibid. 9. This is also representative of the "Principle of Visionary Succession," as described in the biography Jacob Bunn: Legacy of an Illinois Industrial Pioneer. See page 243. J. P. Taylor was similar in this respect to Jacob Bunn, a laureate.

¹⁴ Ibid. 10.

¹⁵ Ibid.

¹⁶ Ibid. 10, 11.

assuming ownership of the J. P. Taylor firm of North Carolina. The North Carolina firm was acquired for \$814,815.85, by the Virginia firm. The new corporation had an authorized capital of \$1,000,000. Taylor assumed the presidency of the new firm, and James I. Miller, one of Taylor's protégés, became the firm's secretary/treasurer, and Lewis C. Williams, the firm's vice president. The firm was at its inception a multi-state company, with headquarters in Richmond, and branch officers located in Henderson, North Carolina, Lexington, Maysville, Carrollton, and Shelbyville, Kentucky. Its corporate purpose was, "to buy, sell, and deal in, and deal with leaf tobacco whether for its own account or on commission."¹⁷

The company's assets exceeded its liabilities by \$720,000, and Ernst & Ernst had reported that Jack Taylor's judgment was "sound and 'conservative.'"¹⁸ By the time of the organization of the new J. P. Taylor Company, its trade extended throughout the United States and Europe. The corporate structure and organization was mature and complex. Companies that were part of the Taylor corporate system were the W. A. Adams Company of Oxford, North Carolina; the C. B. Cheatham Company of Farmville, North Carolina; the Person-Garrett Company of Greenville, North Carolina; the R. P. Watson Company of Wilson, North Carolina; the W. A. Willingham Company of Danville, Virginia; and the W. H. Winstead Company of Baltimore, Maryland, Goldsboro, North Carolina, and Owensboro, Kentucky.

Company accounts were maintained at banks in New York, Virginia, and North Carolina. The firm dealt in a variety of tobacco types.¹⁹ While the firm had become a master of dealing with diverse regions, other companies, and differing tobacco types,

¹⁷ Ibid. 11.

¹⁸ Ibid. 11.

¹⁹ Ibid.

Taylor himself had become a master in his own right, dealing with many different tobacco businessmen.

“Working with these and other dealers, Taylor had become a master of the multiple deal sometimes involving three or more participants. Joint accounts and ventures were common, as when a local company or partner might buy and pack the leaf on its own market with Taylor assuming responsibility for purchase, transportation and storage, and the ultimate sale. Then, as later, a man’s word was his bond. . .”²⁰

Taylor had clearly developed an immense reputation for honest and integrity, as was evidenced by the extensive network of fellow entrepreneurs with whom he worked to build the industry. Once again, by 1916, Jack Taylor was a global operator in the tobacco industry, and a genuine ambassador for postbellum Southern business enterprise. He also had achieved his long-standing hope of returning Meadow Farm to the family.

“By 1916 Taylor ranked as one of the most prominent and prosperous dealers in America. With Meadow Farm reclaimed and his family settled in comfortable style, Jack Taylor, now in his late fifties, might reasonably have rested. But his enterprising spirit dictated yet another move. This move would be entrepreneurial, not physical, and it would propel Jack Taylor beyond his previous accomplishment in America’s tobacco belts. Indeed, it would place him squarely in the center of a global stage.”²¹ That entrepreneurial move was the founding of the Universal Leaf Tobacco Company in 1918.

The Universal Leaf Tobacco Company: 1918

The formation of Universal Leaf Tobacco Company was comparable to a Broadway play with an all-star cast. Taylor and his associates together embodied vast

²⁰ Ibid. 12.

²¹ Ibid.

experience in every aspect of the tobacco industry. The founding forces, officers, and directors were all true veterans of the industry, and had exhibited immense success. Most of them had only limited formal education, but their collective business education, obtained through experience and effective “self-study,” was superior to anything that a year long school program could offer.²²

Jack Taylor collaborated with men such as Joseph Cullman, who had been an owner of Benson & Hedges; John Blackwell Cobb, a former chief executive of the leaf department of the Duke American Tobacco Company, and a president of the American Cigar Company; James I. Miller, Taylor’s right-hand man in the J. P. Taylor Company; and others.²³

Board Membership and Successor Management: 1922-1950

Universal Leaf Tobacco Company was formed during the turmoil of World War I, as the successor of the J. P. Taylor Company of Virginia. What needs to be known at this juncture is that while J. P. Taylor himself only remained active with Universal Leaf for a few years. He retired from active management in 1922 but remained on the board of directors until his death in 1950. He retired, but his legacy is what carried the company through the difficult years after the end of World War I.

Taylor had been a fine judge of young ability, as has been noted. Many of the officers who took the helm of the new Universal proved able and sound corporate administrators, while others did not. Nonetheless, Taylor himself must be remembered as having entered the Universal Leaf era already with a full and illustrious career in the tobacco industry. He was not merely starting out for the first time. He provided

²² Ibid. 13-17.

²³ Ibid. 14-16.

opportunities for many younger tobacco entrepreneurs to enter and prosper in the industry. Universal Leaf itself is the monument to Taylor's ingenuity and vision within the industry, even though he was only associated with it officially for a few years after its inception.

Taylor envisioned a centralized corporate system of tobacco leaf buying and selling agents, which would eventually cover the entire world. The selection of the corporate name, "Universal," illustrated the founders' optimism concerning the company's prospective successes. "J. P. Taylor predicted "the business to be had was limited only by the ability of the organization to handle and finance it." An early advertisement described Universal as "Dealers in Leaf Tobacco from Everywhere to Everywhere."²⁴

The company did in fact develop rapidly into a giant. World War I turned out to be an excellent time to begin Universal Leaf, because of the immense global demand for American tobacco products, and the fading of the opposition to using tobacco products.²⁵ Directly on "schedule" according to Jack Taylor's optimistic vision, Universal Leaf grew successfully.

"Business at the fledgling company was at the outset equal to Taylor's optimism, as Universal purchased about 10 percent of the market during the 1918 and 1919 crop years. In 1918 the company bought about 100 million pounds, of which 44 million were in turn sold to the Big Four and other manufacturers created by the breakup of the American [Tobacco Company Trust]."²⁶ The first two-year period was an amazing success, as the company quickly propelled towards its goal of being the foremost tobacco

²⁴ Ibid. 16, 17.

²⁵ Ibid. 17.

²⁶ Ibid. 19.

buyer of the world. By 1926, according to a government report, Universal Leaf had become, “‘probably the largest leaf dealer’ in America. . .”²⁷

Although Jack Taylor retired officially in 1922, he remained active in the direction of the company. He wished to retire to a more personal and private existence at Meadow Farm. “Taylor remained an influential director until his death in 1950, serving along the way as a conservative voice on the finance committee and maintaining an interest in (and some influence on) company affairs. Essentially, he was an elder statesman in his late years.”²⁸

Universal Leaf managed to survive the economically challenging years that came after the close of World War I, but not without a certain degree of fear and trepidation. Nonetheless, the Universal men came through, as did the enterprise. There were two primary offices of Universal Leaf; one maintained in New York City for the purpose of overseeing sales and company administration, and one in Richmond, which oversaw the actual purchasing of the tobacco. “In 1918 New York City was a worldwide center in the tobacco trade.”²⁹ The decision to open the New York office during this time proved to be an excellent move for the company. Universal Leaf also took pride in the hospitality that it accorded its patrons, and thus helped engender its own brand of comfort to patrons.

“A dozen private offices decorated with Persian rugs opened from a spacious and well-appointed reception area. The tobacco sample room was as likely to be stocked with whiskey as with leaf—hospitality was the hallmark of the leading New York

²⁷ Ibid. 30, 31.

²⁸ Ibid. 21.

²⁹ Ibid. 18.

tobacconists.”³⁰ The business which Taylor had envisioned was certainly among the “leading tobacconists” by World War I.

The tobacco industry experienced a reversal in profits after World War I. This proved to be fatal to many tobacco companies. “The Great Depression for agriculture started not in 1929 but years earlier, and the entire nation buckled under a recession at the outset of the 1920s.”³¹ The economic causes of the “Tobacco Depression” included a glut in the European markets for Bright Leaf, and general market instabilities. This depression destroyed the International Planters combination in 1922. Universal did feel the effects of the Tobacco Depression, and suffered from and excessive borrowing and excessive remuneration of corporate officers. The economy was simply not sufficient anymore, at least at this time, to sustain the conduct to which the company had been accustomed previously.

Universal Leaf, however, through prudent management, survived the agricultural depression, and marched forward with growth and success. The strategy of cutting expenses and seeking out new revenue sources was put into place by the management, and Universal Leaf overcame its financial weaknesses. The company prospered throughout the Great Depression, interestingly, while so many other firms, in a multitude of industries, failed entirely. The successes of Universal during the “tobacco depression” were due predominantly to Jack Taylor’s conservative management, and the company’s wise choice of management.

“Universal’s recovery is all the more striking when viewed within the context provided by the fate of its rivals. International Planters was the largest of the dealers to

³⁰ Ibid. 18.

³¹ Ibid. 24.

fall in the early 1920s. From a World War I peak of 4,139, the number of independent dealers fell to 2,501; some consolidated and some went under while Universal sailed forward with a new generation at the helm.”³² Jack Taylor had envisioned the formation of a giant corporate system for buying, selling, and dealing in tobacco, and his vision had been realized, by 1918; and even in the face of severely discouraging economic circumstances, Universal Leaf survived, and grew steadily into the largest independent leaf tobacco dealer in the entire world, and became a pace-setter for an entire industry. Taylor’s legacy lives on today, and the success of the company is the evidence of the excellence of Taylor’s management principles, which have carried on.

Conclusion

In conclusion, Jack Taylor is one of the founding fathers of the modern tobacco industry. He was an apostle of the strategy of consolidated purchasing, selling, and dealing systems in the industry into centralized and standardized organizations. Taylor managed to overcome the destitution imposed upon him and his family by the Civil War, successfully learn all of the aspects (the production, manufacture, processing, buying, selling, and the entrepreneurial) of the tobacco industry. He helped establish many younger entrepreneurs within the industry, whose families had also suffered devastation because of the Civil War. Throughout his life, Taylor overcame immense economic odds, became a learned scholar within an industry, and helped build Henderson, North Carolina, into one of the foremost tobacco centers of the world. He also helped build Henderson as a city by supporting many local institutions. Taylor then established Richmond, Virginia, as the leading tobacco dealer center of the world, and created opportunities for employment for many people of all ages, throughout the world. He

³² Ibid. 31.

always remained committed to having a vision for the success of younger people, and thus invariably exhibited the *Principle of Visionary Succession*, mentioned earlier. He always acted with honor and integrity, and possessed a reputation for such wherever he went and worked. He managed to achieve the restoration of his family home, Meadow Farm, and thus helped rebuild the morale of Orange County and its residents.

Overall, Jack Taylor was a visionary for both people and places, a consummate ambassador for the tobacco industry and the commercial vibrancy of North Carolina and Virginia, and a dedicated son of the South, who desired to heal the devastation of the South by rebuilding it as a global center of industry, and by connecting it firmly to the commercial centers of the North. Taylor is truly representative of the first generation of post-Civil War Southern businessmen who achieved international success, and who helped to heal permanently the divide between North and South.

Financial Statistics of Universal Leaf Tobacco Company

- The company sales revenues increased from \$14,200,000 in 1923 to \$75,335,000 in 1950, the year of Jack Taylor's death.
- The company revenues had achieved a high of \$82,139,000 as early as 1945, and \$108,910,000 by 1951.
- Corporate assets grew from \$13,848,000 in 1918 (the year of the company's inception) to \$31,593,000, in 1921.
- Company revenues have reached over \$3 billion as of 1993, with assets that same year of over \$1.5 billion.

Bibliography

Duke, Maurice, and Daniel P. Jordan, Tobacco Merchant: The Story of Universal Leaf Tobacco Company, University Press of Kentucky (1995).