

The Business History of the Virginia Gentry

By Laura Croghan Kamoie

*In March 2008, **Laura Croghan Kamoie**, assistant professor of history at the U.S. Naval Academy and author of *Irons in the Fire: The Business History of the Tayloe Family*, presented a two part lecture on the “Plantation Economy of Early Virginia” at Menokin’s King Conservation and Visitors Center. The lecture was held in partnership with the Rappahannock Institute for Lifelong Learning.*

In the eighteenth century, Virginia’s wealthiest planters created a domestic economy that would lay the groundwork for the state’s economic development after the American Revolution. Families like the Tayloes, Carters, and others diversified their estates beyond tobacco and slaves to include wheat cultivation, milling, craft services, shipbuilding, and ironmaking, among others. Using advanced technology, creating and drawing on a range of local and regional relationships, remaining informed about the regional and Atlantic markets, and exploiting the natural environment, Virginia planters demonstrated their entrepreneurship—in the language of the day, these men were “adventurers” and “undertakers.”

The Tayloe family of Richmond County, Virginia, offers a useful example of how eighteenth-century planters used their holdings and investments in land, slaves, and industry to create personal wealth and social standing as well as local and regional economic development. Five generations of the Tayloe family from the late seventeenth century through the mid-nineteenth century played important roles in building the economy of Richmond County, the Northern Neck of Virginia, and Northern Virginia.

Importantly, while the long-term nature of the Tayloes’ activities and successes were somewhat unique, the kind of businesses and business strategies they pursued were not. The wealthiest planters, and even many middling planters, regularly invested in and operated diverse types of businesses, learned about new opportunities, assessed and assumed risk, invested in the most advanced technology of the day (mills and ironworks in particular), and demonstrated remarkable flexibility and adaptability in the face of changing economic circumstances and market conditions. Virginia’s planters were not afraid to be entrepreneurs.

John Tayloe I (1687-1747) was the founder of the family fortune. While he inherited some wealth and status from his father William (1645-1710), John came of age in the midst of an economic recession and therefore strove to diversify his economic activities in order to provide security against total dependence on tobacco. By successfully branching out into other activities—particularly his work on behalf of the Bristol Ironworks in King George County (1721-c.1742) and his founding of the Neabsco Ironworks in Prince William County (1737)—Tayloe hoped to establish himself and his family among the elite of Virginia. He succeeded. Politically, in 1731 he achieved appointment to the most powerful body in the colony, the Governor’s Council. Financially, Tayloe amassed a sizeable estate consisting of 20,000 acres in five Virginia and three Maryland counties and 327 slaves. His estate was easily worth between £30,000 to £40,000.

John Tayloe II (1721-1779) learned from his father’s example the merits of a diversified approach to plantation management. While in many ways he became the prototypical

southern gentleman—with significant holdings in land (40,000 acres) and slaves (500), a seat on the Governor's Council, and an impressive Georgian country seat named Mt. Airy in Richmond County—he in no way idly rested on his father's achievements. He enlarged his holdings in land and slaves to provide the bases for other investments and activities; expanded the Neabsco Ironworks and employed integrationist strategies in founding a forge, shipbuilding enterprise, mills, and merchant store; invested in and actively worked for the development of towns in Virginia; and shifted increasing acreage into wheat cultivation.

This Tayloe found that diversification provided a cushion against the volatility of the tobacco market, profitably employed his many slaves, and also contributed to the economic development of the region. For example, in 1763, Tayloe's tobacco brought only £4.16.10 per hogshead for 153 hogsheads he sold (£712). That same year, he received £6.14.6 per ton for 214 tons of pig iron (£1245). His total income from both commodities that year reached just over £1957 sterling. Thus, iron both enabled Tayloe to lessen his dependence on tobacco and shielded him from fluctuations that occurred in the tobacco market. Tayloe's activities demonstrate that, when it made rational economic sense to do so, planters diversified their investments—Tayloe made new investments more often in good economic times than bad, disproving some historians' arguments that southern planters only made attempts to lessen their dependence on tobacco when the market deteriorated. Moreover, planters did not just do more of the same when they expanded, they explored the new opportunities that the market offered.

After nearly a century of entrepreneurial plantership in Virginia, it is no surprise to find that John Tayloe III (1771-1828) exemplified these business strategies and consequently earned a reputation as one of the wealthiest men in all of Virginia in the early nineteenth century. Coming of age in the midst of an unstable and unpredictable economy following the Revolution, the third Tayloe recognized that his family's survival required that he make a number of profound adjustments to the estate he inherited. He shifted his acreage almost entirely to grain cultivation, disassembled the family's eastern ironworks in Prince William and purchased new set of works called Cloverdale and Brunswick in Botetourt County, and expanded profitable plantation industries such as fishing, smithing, shoemaking, and clothmaking.

New activities that reflected the new opportunities of the early national period also characterized the business strategy of John III. From his new city house, later called the Octagon in Washington, D.C., Tayloe invested in banks and served on their boards, operated two lucrative stage lines, speculated in and rented city properties—ultimately 50 city lots valued at over \$100,000, owned hotels and taverns (including the predecessor of the Willard Hotel), supported internal improvement projects, and purchased stock in new companies. Upon his death in 1828, Tayloe's western ironworks were valued at over \$150,000 and clearing \$20,000 a year; his Washington investments were worth over \$150,000; and his Mt. Airy Department plantations were worth at least \$300,000.

The history of the Tayloe family thus reflects the development of and changes in Virginia's economy and society between the early eighteenth and mid-nineteenth centuries. The gentry's diversified approach to plantation management made Virginia the leading colonial exporter of pig iron and wheat to Britain before the Revolution and the second-largest builder of ships in the colonies. In the nineteenth century, Virginia experienced rapid urbanization

having eight of the South's 23 cities, including the South's second-largest manufacturing center, Richmond. Gentry entrepreneurship—as exemplified by the Tayloe family of Richmond County—made all of this possible. ❧