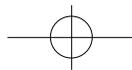
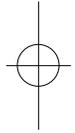
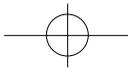
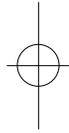
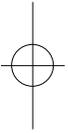


**BOLD ENTREPRENEUR**  
**A Life of James B. Duke**





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**Robert F. Durden**

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## PREFACE

James Buchanan Duke, I have somewhat belatedly decided, deserves a scholarly biography of his own. When a prominent Duke University faculty member and friend, who was on the board of the university's press, put that proposition to me more than thirty years ago, I demurred on several grounds. First, the thing that interested me most about the Dukes was their relationship with Duke University and its institutional predecessor, Trinity College. And I already knew that not James B. Duke, but his father Washington Duke and his older brother Ben Duke preceded him and long overshadowed him as far as involvement with Trinity College was concerned.

Secondly, I argued that the Dukes operated as a family and that it was in that context that their story should be told.

And finally, I knew that while we had a vast collection of Ben Duke Papers in the manuscript department of Duke's library, there was a dearth of J. B. Duke papers—and historians avidly crave access to such primary sources.

Consequently, I undertook a history of the family—especially Washington and his two sons Ben and “Buck” (as the family called him)—and published *The Dukes of Durham, 1865–1929* in 1975.

Now, however, I have become aware of holes in my argument. In the first place, James B. Duke was more important to Duke University than it was to him or his life. That is to say, his munificence in underwriting the establishment and permanent support of Duke University came towards the end of his life, after a long series of remarkable achievements in the business world. These achievements deserve at least equal billing with his great philanthropic action, which was taken less than a year before he died.

As for the Dukes operating as a family, that was true—but as I now realize, only up to a highly limited degree. Washington Duke did lead his family into tobacco manufacturing after the Civil War, and his

sons became his partners in the family business. Precisely when the other family members realized that the youngest Duke was the shrewdest businessman among them is not known. But certainly by around 1880, when Buck turned twenty-four and when Washington Duke retired from an active role in the family business, J. B. Duke led the way. He did so in a quiet, tactful, consensual manner that, as far as the records reveal, aroused no resentment or jealousy.

Ben and Buck Duke were unusually devoted to each other throughout their lives, as they were equally close to their father. Their mother having died in 1858 when they were still toddlers, Ben and Buck demonstrated life-long sympathy for orphans and half-orphans, which they considered themselves to be. While Ben, born in 1855, was more than a year older than Buck, Ben was sickly and frail as a child and had intermittent health problems for much of his life, gradually becoming a semi-invalid during his final decade. Buck, on the other hand, was big and robust as a child and had no significant health problems until the illness that killed him in 1925.

I unfortunately missed an aspect of the brothers' relationship when I wrote *The Dukes of Durham*, but I now believe that Buck developed a loving, protective attitude and stance toward Ben from an early age. If the two brothers ever had a serious disagreement, surviving records do not reveal it. While Ben always kept a home in Durham and took more time for the family's charitable activities in Durham and North Carolina, he also played a role, albeit a secondary one, in the family's various business enterprises.

As for a paucity of J. B. Duke Papers, that turned out to be not as serious as I thought. After I had begun research for *The Dukes of Durham* a treasure trove of J. B. Duke Papers, especially for the late 1880s when he was pushing for the combination that became the American Tobacco Company in 1890, came to light.

An additional reason for a study focused solely on J. B. Duke is that in *The Dukes of Durham* I barely mentioned at least three important phases of J. B. Duke's life. Believing that extensive treatment of them was not appropriate for a history of the family—or would throw it out of balance—I deliberately skimmed on them.

The first neglected topic was J. B. Duke's key role in the establishment and then management of the British-American Tobacco Com-

pany in and after 1901–1902. From the standpoint of business history alone, it was a pioneering and colorful venture that deserves fuller treatment than I gave it.

Secondly, J. B. Duke's venture into Canadian hydroelectricity needs to be dealt with in greater detail than I earlier provided. While it turned out to be a temporary diversion for him and his Carolina electricity business was the long-lasting commitment, Duke's Canadian foray was a highly creative and bold move that dramatically revealed his entrepreneurial panache and genius.

Finally, when I wrote *The Dukes of Durham* I had never visited Duke's Farm (now Duke Farms) just outside Somerville, New Jersey. Even if I had, I again might have downplayed it to maintain "balance" in the earlier book. Now that I have visited it and also learned more about it, I realize that it was J. B. Duke's one, almost obsessive hobby, his principal diversion from the steady work that he enjoyed all his life. Starting in 1893 with a flat, 327-acre farm fronting on the Raritan River, he kept buying adjoining lands until he owned 2200 acres. Furthermore, he spent several million dollars transforming a large portion of the vast estate into a magnificently landscaped park. He did not just recontour his front lawn and add a few fountains, as I had mistakenly thought. Rather, he created a chain of seven sizable lakes, with water from the topmost one (pumped up from the Raritan) feeding into the next and so on until it returned to the river. With the excavated earth, he created small (200 feet high) mountains. Not just fountains, in large numbers, but waterfalls, cascades, and grottoes added visual interest, as did statuary of a wide variety especially ordered from Europe. An avid horticulturist (as were Washington and Ben Duke), he once informed a close colleague that he had a record of over 2,000,000 trees and shrubs that had been planted on the estate.

It was, in short, one of the late Gilded Age's most magnificent country estates, and it revealed an aesthetic and recreational aspect of J. B. Duke's character that I earlier glossed over and that deserves to be known.

In conclusion, a word about the two earlier biographies of J. B. Duke. They are both undocumented and unscholarly, but I now believe that each has a certain value that I did not fully appreciate a

quarter century ago. Commissioned by George G. Allen and William R. Perkins (J. B. Duke's closest business associate and lawyer, respectively), John Wilber Jenkins, a newspaperman, wrote *James B. Duke: Master Builder* (1927) soon after Duke died. It is, as might be expected, too reverential in its treatment—and has neither footnotes nor an index—but because Jenkins had access to a number of people who had known and worked with Duke over many years, the book has a certain value, if used carefully.

In 1942 John J. Winkler, a professional writer of a whole series of “Robber Baron” biographies, published *Tobacco Tycoon: The Story of James Buchanan Duke*. Despite the semisensational, muckraking tone, the book also benefits from interviews that Winkler conducted with several people who had known J. B. Duke before he became famous. When these ring true, I have also used material from those interviews.

In the biography that follows, there is inevitable overlap with *The Dukes of Durham*. But I trust there is enough that is new to justify this treatment of a most creative entrepreneurial capitalist, one who, after a lifetime of big-time successes in business, finally turned his talent for thinking big in a visionary way toward a unique plan for perpetual philanthropy in the Carolinas. Unlike novelist Thomas Wolfe's legendary character who could not come home again, J. B. Duke was one Tar Heel who did come home to the Carolinas—and that homecoming had longlasting repercussions indeed.

After *The Dukes of Durham* appeared in 1975, a friend, congratulating me on the book, kindly noted that he had enjoyed reading it. But, he added, “I still don't understand Buck Duke.” Laughing, I replied in a burst of candor, “Well, I don't either.”

Now, more than a quarter-century later, I realize that I was so intent on explicating the Duke family's long involvement with Trinity College and on bringing forward less well-known members of the family (especially Ben Duke) that I simply either downplayed or virtually ignored important aspects of J. B. Duke's career and character.

Moreover, I hope I am not immodest in saying that I now believe I have grown to understand Buck Duke much better. Whether I have succeeded in reflecting that understanding in this biography is, of course, another matter—and one best left for the readers of it to decide.

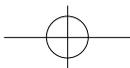
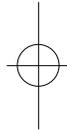
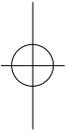
While I did assert at one point in *The Dukes of Durham* that J. B. Duke was “the business genius of the family,” I failed to elaborate and, perhaps, to advance sufficient evidence for the assertion. As for his character, I would now emphasize that, in addition to his keen intelligence and quick mind, he was an even tempered, soft-spoken person who passionately enjoyed his work. If he ever exploded in anger or indulged in a temper tantrum, I have found no evidence of that in a large body of records.

Deeply influenced by his father, Washington Duke, and by his father’s beloved Methodist church, J. B. Duke developed a great knack for spotting talent and character in others. From an early stage in his career, he demonstrated that ability to identify men of talent and integrity and then, because he treated them generously and with respect, they remained with him throughout their careers. This pattern, appearing first in his work in the tobacco industry, was replicated in textiles, hydroelectricity, and finally in his long, careful planning for perpetual philanthropy to benefit the two Carolinas.

Raised a Republican (like his father) in a region then dominated by agrarian, racist Democrats, he early acquired a national outlook. Yet he retained a deep interest in and even love for his native region. While he payed close attention to detail in his role as a pioneering managerial capitalist, he always liked to “think big” and consider the long run, the future. This was finally and dramatically illustrated in his conception of The Duke Endowment, his perpetual philanthropy, and in his enthusiastic endorsement of President W. P. Few’s audacious plan to organize a great national university around Trinity College.

Anne Oller Durden, my wife, has for the past half century assisted me in many ways in my research and writing. We have always shared the dubious joy of compiling the index, for example. For this biography, however, she has outdone herself, for she did all of the word-processing. I can never thank her enough.

Robert F. Durden  
July, 2002



## PROLOGUE

Anyone closely watching the neatly dressed young man as he walked the streets of lower Manhattan on a spring night in 1885 might well have been puzzled. He frequently stopped to scrutinize, maybe even count, discarded cigarette packets. (He would not have used the term, but he was quietly doing market research). And if he saw a straight pin pointed toward him on the sidewalk, he picked it up, for good luck, and stuck it on the underside of his coat lapel.

Twenty-eight-year-old James Buchanan Duke—“Buck” only to his family and friends of long-standing—had come to New York a year earlier to establish and then manage a branch factory of W. Duke Sons and Company, tobacco manufacturers based in Durham, North Carolina. Already richly experienced in the world of tobacco, the youngest of the Duke family also had established a reputation for bold, shrewd leadership in the family business.

Soft-spoken and even-tempered, he was clean-shaven, solidly but slimly built (at that age), a bachelor, and loved his work with a surprising passion. “I hated to close my desk at night,” he later recalled, “and was eager to get back to it early next morning. I needed no vacation or time off. . . . There ain’t a thrill in the world to compare with building a business and watching it grow before your eyes.”<sup>1</sup>

Young Duke made it a practice to be in the factory in time to see the employees arrive, and then during the day he made frequent forays through the factory to examine the stock on the work tables. Some employees came to believe that he had an uncanny knack for spotting the only faulty pack of cigarettes in a lot containing hundreds of perfect ones. When he occasionally sent for an already-packed carton of goods, he would open it, examine each package, and if a label should be pasted on in a crooked fashion, he sent for the superintendent. In short, Duke kept the work force on its toes.<sup>2</sup>

After a twelve-hour day in the office, Duke grabbed a cheap meal in a nearby eatery and then began his market-oriented nocturnal operations. As he had earlier visited tobacco retailers across the South and West when he “drummed” the trade for W. Duke Sons and Company, so he now continued that practice in New York. A pioneer Manhattan tobacconist later remembered the first time Duke came into his cigar store: “He was tall, gawky, reddish (hair) with a southern accent as thick as butter.” Duke wanted to sell some of his “newfangled machine-made cigarettes” on consignment, but the merchant insisted he would not handle cigarettes and that his customers did not want them. Duke seemed to take the rebuff in stride.<sup>3</sup>

A few months later, the tobacconist continued in his remembrance, a trade paper reported that Duke had opened a loft factory on Rivington Street in lower Manhattan. “Then the billboards began to flare out with Duke ads and the newspapers too,” the merchant recalled. “I got circulars offering camp chairs and crayon drawings, if I’d order so many thousand Duke cigarettes. Customers started asking for the cigarettes by name.” The climax seemed to come when Duke began putting into each package a small picture-card of a famous actress, an athlete, or the flags of different nations. “As I look back on it now,” the merchant concluded, “I think this one stunt, more than any other, really put the cigarette over with the public.”<sup>4</sup>

While the young Tar Heel was indeed hard-driving and ambitious, not even he could have realized that within five years W. Duke Sons and Company would be by far the largest cigarette producer in the nation. Not only that, but he would employ that commanding position in such a way as to take the lead in forming in 1890 the great combination—holding company actually—known as the American Tobacco Company. And having expanded the vast corporation’s control over most of the nation’s tobacco industry throughout the 1890s, he would in 1901 invade the British Isles and end up heading a pioneer multinational and globecircling enterprise known as the British-American Tobacco Company.

What prepared James B. Duke for this amazing achievement? He grew up in a South left poverty-stricken and desolated by the Civil War, yet by age thirty-three in 1890, he was well on his way to be-

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PROLOGUE

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coming vastly rich and the head of what would become one of the largest and most powerful American corporations.

More to the point, what strategies and skills did he use after 1890 that might help explain his achievement?

