

## The English Quaker Firm

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One cannot move for very long in English Quaker circles without sensing the unmistakable aura of money. It is not that Friends are ostentatious, but they have certain traits inherited from their past which are not perhaps paralleled anywhere in the United States outside metropolitan Philadelphia. It is an American joke that the Quakers came to Pennsylvania to do good and ended up by doing well. In the country from which those Friends came, many members of the Society did so well that, by the middle of the nineteenth century, Quakerism in the land of its origins was noticeably an haute bourgeois phenomenon. We are now witnessing the end of this historical development.

For some decades now, perhaps for half a century, the proportion of English Friends who have come into the Society by conviction has been increasing, so that they now form well over half the membership. Nevertheless, certain features of the past are still clearly visible. For example, there are eight boarding schools under Friends' management. Nowadays, however, most of the pupils are from well-off non-Quaker families. Friends without objections in principle to private education usually have to be assisted financially to send their children there. Part of that assistance comes from the very large amount of money in trusts of various kinds at all levels in the Society.

At the national level, such endowments form a significant part of the finances available to the central administration of London Yearly Meeting. This, be it said, is to the chagrin of some who would like to see it liquidated, though it is doubtful whether the contributions of Friends alone could maintain the Society's work and witness at the level the previous century's capitalistic philanthropy made possible. Wealth and lineage no longer go together, however, but one still, not infrequently, encounters occasionally patrician members of the old Quaker clans who would take strong exception to the dissipation of their ancestors' generosity.

So English Quakerism is in transition, socially and economically, quite apart from any theological strains it may be experiencing. It bears the plain imprint of Victorian prosperity in the names and family background of some of its members,

its financial endowments and some of its institutions. Yet, increasingly, its social composition, its values and the sources of its income reflect the sociological changes of this century. The newcomer of today is likely to be dependent solely on income derived from employment, probably in some form of state-funded social service, indifferent, if not hostile, to commercial values and attitudes.

For such Friends, there is often a puzzle here. The stated values of Quakerism seem to be those of plainness and simplicity, yet the Society has bred a considerable number of highly successful entrepreneurs. A study of the English Quaker business will throw some interesting light on how this state of affairs has come about and also give some food for thought about the general history of the Society of Friends. We await the definitive economic history of English Quakerism, though some interesting accounts are available of individual firms or families. Here we shall confine ourselves to a summary of what such an extended study might reveal.

We may begin with the simple experience of English life. It is generally known that a number of large companies were originally founded by Quaker families. In a stay of only a few months in England one is able to see firm evidence of this connection. The country has a centralised banking system, and of the four largest high street banks, two—Lloyds and Barclays—are of Quaker origin. For reasons quite accidental (though well-meaning commentators make up spurious reasons for it), chocolate and cocoa manufacturing is dominated by once-Quaker firms—Cadburys (now Cadbury-Schweppes), Rowntrees (now Rowntree Mackintosh), and Terrys, at the upper end of the market.

One's Huntley & Palmers biscuits go well with Cadburys cocoa or Hornimans tea. One can walk on Clarks shoes, paint with Harris brushes, use pharmaceuticals from Allen & Hanbury or Reckitt & Coleman or Bryant & May. Price Waterhouse, one of the largest firms of accountants in the City of London, began in Quaker ownership, and though it is now largely of historical interest, Bradshaw's Railway Guide was indispensable to travellers for nearly a century. In the past, Quakerism was synonymous with discreet opulence, and the wealth of the Gurney family, to which both Joseph John and his sister Elizabeth Fry belonged, is the butt of a joke in Gilbert and Sullivan's comic opera 'Trial by Jury'.

In the earlier part of this century, social theory began to take cognisance of the intimate connections between religious and economic life, notably in the work of Max Weber and, in England, R. H. Tawney. The links between religion and the rise of capitalism came to be debated and attention given to the combination of business success and Nonconformist religious convictions. The strength of firms such as Rowntrees and Cadburys at that time led to the feeling that the Quakers' traditional reputation for honesty and fair dealing might also be reflected in an innovative style of management and a concern for the interests of employees at a time when they were generally disregarded.

When we consider Quakerism in this connection we have some very interesting possibilities. A very small religious Society appeared to have made a

disproportionate contribution to economic life. If this were found to be the case, what reasons lay behind such a development? A number of different explanations can be given—some connected with the assumed properties of Quaker faith, others with the general economic climate in eighteenth- and nineteenth-century England. Quakers, tending to see the virtues of their faith rewarded, incline to the first explanation; economic historians with an eye to material factors favour the second. What is right? Was it due mainly to religious and ideological factors or would historical and sociological considerations provide a more satisfactory explanation? If, as common sense might suggest, it was a combination of all these, in what proportions might influence be allotted? Here we will attempt to indicate some of the factors that might need to be taken into account in a more complete study and will look for a combination of the two. Whatever explanation is right, there can be no question but that the possibility of the Quaker firm being a minor phenomenon of English economic history is of considerable intrinsic interest.

### Quaker Beliefs and Economic Activity

Quakerism emerged in the seventeenth century with a radical reputation and an eclectic theology. Early Friends were deeply imbued with the character and temperament of Puritanism and had much in common with others who thought like them but did not wish to adopt their uncompromising attitudes to a number of customs and institutions. It is the fashion sometimes to exaggerate their singularity, but they were a peak in a range of mountains, rather than an isolated eminence arising out of a featureless plain. Hence, they never suffered the alienation of earlier continental Anabaptists, whom they resemble in some ways.

Reformed theology had grown so strong in England in the century before their emergence that it was able to inspire a confederation of religious and political interests capable of waging a successful civil war and instituting a republic. The Puritan movement thus has political as well as theological features, and it is noticeable that there are many connections between the early leaders of the Society of Friends and what has now come to be called the 'left wing' of Puritanism, in the ranks of the New Model Army and in radical political movements such as the Levellers and Diggers.

But there are risks in thinking of early Quakerism as a radicalism of the left. To begin with, its early leaders were often of some competence, and not from the labouring class; for example, there are reasons to think that George Fox was more than a simple artisan. Moreover, though the petite bourgeoisie is often the social group from which schemes of political, economic and social reform emerge, as in the case of the Levellers and Diggers, there is no evidence among the Quakers of any collectively endorsed scheme of societal, political or economic reform.

Early Friends were certainly spiritually egalitarian, but they were not socialists, nor did they preach the holding of goods in common on the pattern of the Acts of

the Apostles. The root of this radicalism or egalitarianism came from their critique of the historical church and what they saw as its ineffectual reformers (unless their theology was no more than a rationalisation of their position in society).

They combined their historical critique with a curious spiritual chiliasm expressed in their doctrine of the Inward Light, which led to a reassessment of the authority of scripture, the substitution of an open charismatic ministry for the ordination of males, the abandonment of sacramental observance and the refusal to observe the social conventions of polite and familiar speech, to pay tithes or to bear arms. This scheme of belief is certainly radical in certain respects, but if you combine its Anabaptist features, its particular form of biblical interpretation and its doctrinal formulations with the view that sees the Great Rebellion as a conservative movement, a different perspective appears. Thus, when we ask whether Quaker ideas might have contributed to the success of Quakers in business, the first conclusion must be clear. There was no fundamental prejudice against economic activity.

In the second place, certain fundamental Quaker beliefs may clearly have contributed to the Quaker participation, and considerable success, in business, and part of their Puritan heritage is clear witness to this. The Puritan outlook saw one's calling as a sphere in which discipleship could be practised and the glory of God held forth. Whatever its economic functions, the religious mind has always been suspicious of speculation, and Puritans and Friends were no exception to this. Indeed, at the time of the Napoleonic wars, London Yearly Meeting had to remind Friends in the corn trade in strong terms of the moral dangers of speculation, as well as the bad publicity Friends were getting at a time of scarcity. Underlying this were conceptions of what the Middle Ages knew as the 'just price', expressed in Quaker terms as part of 'truth'.

The meaning of that word is fairly elastic, but it had a transcendental and Christian connotation. Quakerism insisted that Christ the truth, by whom the universe received its being, was in the process of redeeming this creation from its bondage to sin and decay. Wherever there was truth, there was Christ, with all the existential requirements of the Gospel. Hence, the demands of the Christian life were met in the smallest things as well as the greatest, and strict honesty and integrity were essential. Telling the truth meant the impossibility of haggling over market prices. There was a rate of exchange that was appropriate in any given circumstances, and that is what the Quaker businessman charged. Friends contributed materially to the development of retail price fixing.

In these circumstances, urban middle-class Quakerism began to acquire trust incrementally when its word was seen to be its bond. Additionally, its whole pattern of life was contrary to an inclination towards conspicuous consumption, and an abstemious life was certainly a factor in allowing the accumulation of capital at a time when the pace of technical change was accelerating. And, finally, an important part of the Discipline—so important, indeed, that it used to have a place all of its own—was the avoidance of speculation. The taking of unnecessary

chances in trade meant running the risk of failure, which was regarded as reflecting badly on the faith community as a whole. Additionally, there was a spiritual danger in speculation and rapid enrichment that common sense, apart from Quaker principle, tells us has frequently resulted in a loss of soul.

Thus, theology should not be underestimated in assessing the origins and early history of Quaker economic activity. But theological beliefs and practices can't provide more than part of the account.

### The Pressure of Persecution

As a predominantly socioeconomic explanation we may consider the possibility that the genesis of the Quaker firm may be sought in the interplay between the changing political and economic conditions of the later seventeenth century and the development of an internal discipline, or church government, within the sect. Let us consider the two aspects of this explanation one at a time—first, the pressure of persecution; then church government and internal discipline and support.

If some celestial planner of history had set out to design the circumstances in which the Quakers were to become an economic aristocracy he could hardly have done better. Among the various statutes of the Clarendon Code that were continued as a disincentive to dissent well beyond the passage of the Toleration Act in 1689, there were two enactments of particular note. The Test and Corporation Acts of 1673 and 1661 respectively, repealed only in the nineteenth century, ensured that the professions were closed to those not in communion with the Church of England, as was the right to trade in certain occupations in certain places. Personal (or economic) and religious survival were thus two sides of the same coin, and the motivation of self-preservation was the same in both cases.

Quakers had two further disabilities that arose from their own confession rather than their status as dissenters. The testimony of plainness challenged a society of finely graded social distinctions. The testimony against tithes challenged the authority of the Church. The peace testimony challenged the basis of the power of the state. In towns, among large numbers of people, a person observing these testimonies was far less conspicuous than a country dweller. In rural districts opportunities for constant but minor persecution were considerable, both before and after toleration.

As a result of this persecution and its greater intensity in the country we can observe two trends in the first half-century of Quakerism. There was a considerable migration to the towns and a considerable migration to America. Anyone sketching the history of the Society of Friends in the nineteenth century with the preoccupations and techniques of the twentieth would have noticed a striking phenomenon—English Quakerism was largely urban, while American Quakerism was mainly rural. (Underlying the rapid growth of the Gurneyite branch are circumstances such as these, which lend some substance to the claims

of those of that tradition who believe that it comes closest of all present-day Quakerisms to the values and beliefs of the early Friends.)

The significance of this is that, very early in its life, the socioeconomic profile of English Quakerism was strongly at variance with the national profile. Persecution, the laws against dissent, internal theological pressures and the development of a group identity produced a concentration in towns of families of independent outlook, skill or capital who happened to be living at the point when that long-term trend of technological and social change known as the Industrial Revolution was about to begin its acceleration.

The financial side of this process is well illustrated by the Gurney family, which entered the Society of Friends through the conviction of their ancestor John Gurney in 1678, who thereafter paid the price for his new faith. As a dissenter, he was guilty under the Conventicle Acts for attendance at meeting. As a Quaker he was punished for refusing to take the oath of allegiance. One of his sons became a woollen manufacturer, the other a wool dealer and importer, for their native city, Norwich, was an important textile centre. The family began to finance out-work—the making up, by means of the domestic system, of the cloth and yarns in which they dealt. This led to financing people in a smaller way of business than themselves and the development of major banking institutions in one of which Joseph John Gurney in due course passed his business life.

A family whose interests derived from manufacturing processes were the Darbys of Coalbrookdale in Shropshire. Abraham Darby I was born in 1678 into a family that combined farming and small-scale locksmithy and nail making, a characteristic occupational pattern in the west midlands of the time. Abraham Darby I was bound apprentice in the malt and brass trades and in due course, with the financial backing of Quaker bankers in Bristol, took a lease on an old blast furnace at Coalbrookdale. No account of the Industrial Revolution in England is complete without reference to the Darby dynasty and its century of innovation and achievement in Coalbrookdale and its environs. The Severn Gorge area was the home of the best-known Quaker ironmasters, but in other parts of the country also the iron trade was to a considerable degree a Quaker preserve.

This kind of upward mobility is also illustrated by the chocolate dynasty, the Cadburys. Originating in the south-west, their Quaker roots go back to Commonwealth times. John Cadbury of Burlescombe in Devon was a woolcomber, again a trade characteristic of the locality. He married Hannah Tapper, daughter of a colleague in the trade who had been imprisoned, like so many others, under the Conventicle Acts. His grandson, who had been apprenticed to a sergemaker, removed to Birmingham in 1794, where he enjoyed major success both in business as a silk merchant and in civic affairs. In turn, his grandsons, Richard and George Cadbury, took over an ailing and almost bankrupt cocoa works in 1861 and turned it into one of the largest enterprises of its kind in the world within their own lifetimes. Though willing beneficiaries of technological change, they also owed much of their success to an innovative retailing style.

The Crosfields, of Warrington, Cheshire, were originally yeoman farmers in the hill country of Westmorland and again show a history of having suffered for their faith. In 1777 George Crosfield was sent as an apprentice to Kendal, which was then an important regional centre and for many years thereafter one of the most important Quaker communities in the country. Having traded successfully as a grocer, he moved on to Warrington and added tea importing to his grocery interests. One of his sons was apprenticed to a chemist and druggist in Newcastle-upon-Tyne, and while there conceived an interest in soap manufacture. He returned to Warrington, and with his father's assistance set up in that business. Prosperity ensued until the rise of the chemical trades lower down the Mersey. In 1885 the firm confined itself to specialised chemical products resulting from soap manufacture, and later became an important part of the chemical combine Unilever.

These entrepreneurial families are notable in themselves, but they also represent a wider group. Behind the success of their own enterprises lies a group of other similarly successful concerns that nevertheless achieved only a local or regional fame. We have looked at four families from widely different geographical areas that seem to display similar features. They begin with people who are independent and are willing to pay a price for their beliefs. They are usually small property owners already, so we are not dealing with rags-to-riches stories: the Cadburys, for example, stemmed originally from the minor gentry. At some point, usually through the apprenticeship system, a member of the family becomes interested in something new. What seems to be flair produces an accelerated growth in the fortunes of the business. The modesty of the original way of life close to the land is forsaken and the family undergoes embourgeoisement. In Norwich, Birmingham, Falmouth, Reading, Bristol, Coalbrookdale, Darlington, Warrington and other places the same pattern is noticed. The Quaker firm becomes a phenomenon.

### **Quaker Subculture: Discipline and Support**

A second part of our proposed socioeconomic thesis requires that we look closely at the structure of government in the early Quaker community and follow out the pattern into the developing Quaker subculture. The point is that not only were Quakers by belief inclined to habits which, at least in the early stages of economic development, tend to success; not only were they pushed by the pressure of persecution into economic activity at the places and in the time where modern capitalism was taking off; but, in addition, the form of church government and the related tendencies of Quakerism to develop a strong internal unity and discipline also contributed to the disproportionate number of Quakers succeeding in business.

Quakerism had provincial roots, but it rapidly acquired a national network of adherents. Originally it was strongest in the north-west of England, but in the few years after 1654 it acquired considerable strength in London and its

Buckinghamshire hinterland, and around Bristol, particularly in the area east of the city as far as northern Wiltshire, then a district of considerable economic importance. By 1715, though they had fewer adherents than the other dissenters, the Quakers had a clear edge in the total number of places of worship they possessed. This suggests that they were an institution of national importance and gained considerable benefits thereby.

Church government was on a presbyterian rather than congregational pattern, with synods, known as meetings, of ascending importance responsible for increasingly wide geographical areas. The level of the hierarchy was gauged by the frequency of meeting. Each local meeting was federated with others in a monthly meeting, covering roughly an area in which the centre could be reached from the periphery within a day's ride. This was usually one of the historic counties. At the provincial level there was the quarterly meeting, and the coping stone of the structure was the yearly meeting in London, which developed a legislative authority for the body quite early on, though this development was challenged, notably in the strong provincial centres in the west and north-west.

The origins and, indeed, the desirability of this structure are debated, though the factors that facilitated it are becoming clearer. Part of the early Quaker doctrine was that there was a gospel order or manner of church government appropriate to the new body, so that there was a proper corporate dimension to the faith. In any case, the practical importance of this conception cannot be doubted and was clearly appreciated during the intermittently severe persecutions endured under the two later Stuart kings. The survival of the Society of Friends depended in large measure on its solidarity in adversity. In its early, creative period, social forces could have caused Quakerism to develop in various directions—a charismatic Puritanism, perhaps, or a defensive Anabaptism. Had that happened, it might well have gone the way of scores of similar contemporary sects that had to depend for survival solely on their theological appeal. There is no denial of the fact that Quakerism alone survives of the radical and experimental sects of the seventeenth century. Thus, the survival of the Quakers may have been in part due to its internal solidarity. But, furthermore, the values imprinted at this time were of importance in another guise later. They contributed to the growth of a sense of identity which defined itself against the values of the world, and economic life became the most obvious theatre in which these counter-values could be demonstrated.

A first point is that the twin institutions of the hierarchy of meetings and the travelling ministry meant that Quakers were in possession of a first-class network of contacts and business intelligence from all parts of the country. This meant access to financial and technical help, trading contacts and introductions, transferable credit worthiness and reliable information about the state of distant markets and opportunities. Clarks of Street were saved on three occasions in the early nineteenth century—by a trusting bank on one occasion and twice, in 1844 and 1863, by relatives. This is an example of the crisis of a business being



overcome by application and credit worthiness (an outcome of Quaker beliefs and practice, as noted above). But it is also an example of what a close network of family connections (fostered in part by Quakerism) can do. There is no evidence that Friends preferred to trade with one another for confessional reasons, but there can be no doubt that membership was of considerable advantage as it gave access to these considerable intangible assets.

Second, as we survey the two or three generations that passed between the original conversion of the members of the families we have looked at, and the strong growth of the firms that bore their names, we need to pay attention to the assumptions and practices to which Quaker children were socialised to conform. It is important to note how family and community values had consequences well beyond the intentions of those who espoused them, and it is here that we part company with Quaker principle as an engine of economic development. In due course, it became the practice to disown or expel Friends for bankruptcy, lest their business failure and inability to meet their commitments should reflect upon the community of faith. That rule belongs in the same category as the peculiar speech and dress that were a signal of the expectations of the Society of its members, and also the reputation, on its own estimation, it wished to enjoy in the community at large. Friends may have simply legislated themselves to success. We know about the Quaker firm because of its successes. We do not hear so much about the failures, because bankrupts were disowned.

The rule against marrying a non-member was another disciplinary provision which helped in a large measure to create the subculture of which the Quaker business was a further manifestation. Moreover, one could hardly require this kind of spiritual separation for partners to a marriage without making allowances for the children. Thus, the Quaker schools came into existence. In a relatively small community this enabled the growth of important networks that were also reflected in the degree of intermarriage within the Society. Our examples of successful business families have also shown the crucial importance of the apprenticeship system. This was in no sense an alternative to the schools, but was the culmination of the educative process begun there.

It may be important to underline how the strength of the subcommunity reinforced the values of Quakerism discussed above. Self-scrutiny and honesty were part of the Discipline and young Friends were trained up in it from their cradles. There were no inhibitions about telling children the way they ought to go in eighteenth- and nineteenth-century Quaker families. The demands of a quite rigorous personal ethic were reinforced by family connections in a small world and until 1861 the stigma of disownment was very important. Loss of membership of the Society, for one who valued it, meant exclusion from a whole world of social intercourse regulated by religious routine.

Quakerism differed from other sects in the degree to which it preserved its tight cultural identity. In this context we may mention that Quakers suffered the same disabilities as other dissenters. So it makes sense to enquire why one

does not hear more talk about the Baptist firm or the Congregationalist firm, for members of these denominations had identical disabilities to the Quakers. Here we encounter the curious conservatism that is a Quaker characteristic. Partly under the impact of the evangelical movement, these other branches of 'Old Dissent' moved much earlier towards the mainstream of national religious life. The Society of Friends preserved its religious along with its institutional values, where necessary in competition with those of the larger community, for a rather longer period.

Hence, in the period of the progenitors of the families we have noticed, the Society of Friends was developing out of groups of self-selected religious purists who required high standards of personal commitment, who sharpened their differences with 'the World', and who imposed a strict internal discipline. Thus, Quaker theology provided a church polity and a discipline which required little of the state except to be left alone, and it placed Friends in the position from which they grew into the quintessential sect beloved of sociologists of religion.

So, in considering the rise of the Quaker firm we need to make allowances for these complicating factors, and Quaker history awaits a judicious assessment of their differential importance from the standpoint of economic history and management studies. The standard work in the field is Arthur Raistrick's *The Quakers in Science and Industry* (London: Bannisdale Press, 1950) and of particular value are also Isabel Grubb, *Quakerism and Industry before 1800* (London: Williams and Norgate, 1930) and Paul H. Emden, *Quakers in Commerce* (London: Sampson Low, 1939). These are supported by studies of certain firms or personalities, but the focus of each is on one aspect of the matter rather than an attempt to look at the overall phenomenon to see what sort of assessment can be made of it. An interesting short attempt to do this for the modern period is J. Child, 'Quaker Employers and Industrial Relations', in the *Sociological Review* NS 12 (1964).

### Is There a Quaker Type of Firm?

We now want to move beyond the question of origins and the history of the early development of Quakers in business to turn to the further development of those initial activities in the nineteenth and twentieth centuries. Our key questions are: Is there a unique type of Quaker firm? And does it have something to teach us?

There appear to be two phases in the development of Quaker industrial enterprise. In the earlier part of the Industrial Revolution Friends were noticeable in the metal trades—iron, lead, copper in South Wales and brass manufacture around Bristol. Families such as the Gurneys, Barclays, Foxes, Peases, Hodgkins and Backhouses were rising to eminence in banking and Friends were represented in miscellaneous trades such as pottery, brewing and chemicals.

But in the nineteenth century these categories change as the more familiar Quaker names begin to appear. By the time the hungry forties gave way to the

long period of Victorian prosperity, manufacturing companies of a different kind carry the standard of the Quakers in business. We are in a period of transition between the partnership as the dominant form of industrial organisation and the joint-stock company. Quaker interests in banking endure, but the industrial profile alters. Symptomatic of these changes is the Stockton and Darlington Railway, the first commercial railway in the world. It was heavily financed by Quaker banking interests, but thereafter Quaker capitalists confined themselves to investment in rail transport rather than the setting up and running of the companies themselves. Apart from this, few of the bellwether Quaker enterprises of the nineteenth century were concerned with basic industries such as iron and steel, coal or shipbuilding. The emphasis (apart from the inevitable banking) is on production for the consumer market, though we should note as an exception the various interests of the Peases of Darlington.

We have already noted the names of these leading companies: Frys, Rowntrees and Cadburys in the chocolate and cocoa trades, Reckitt & Coleman, Crosfields and Allen & Hanburys in chemical products of various kinds, Bryant & May for matches, Huntley & Palmers for biscuits, Hornimans for tea, C. & J. Clark for shoes, Ransomes of Ipswich for agricultural machinery and a network of provincial banks gradually consolidating into one large-scale national institution, Barclays Bank, alongside the more traditional family undertaking from the west midlands, Lloyds Bank. This is the period when a commercial culture began to take an interest in itself and the coincidences mentioned earlier began to be noticed. A 'Quaker firm' might simply be one operated by a family of a certain religious persuasion. On the other hand, the name might indicate more than a coincidence, subconsciously discerned by society at large, between the way of life and the business success. So what might be the hallmarks of such an enterprise?

Obviously the first defining feature is that the owners were members of the Society of Friends. It has been the suggestion so far that as trade expanded and consolidated into a national market over the eighteenth and nineteenth centuries the closed world of the Quakers was well placed to take advantage of the development. Though not poor, the families we looked at were not at the outset particularly wealthy, or capable of setting up national corporations. Yet with the passage of time they became so, and it is reasonable to assume that the transition to wealth was made slowly and consistently, in such a way that they had the necessary financial advantages to take their chance when it came.

It is interesting to look at the generational pattern here. Cyrus and James Clark, founders of the shoe firm, were of the fourth generation of Friends, Richard and George Cadbury of the fifth. The biscuit magnate Thomas Huntley was of the sixth, his partner George Palmer of the fifth. The odd one out is the great chemist William Allen, whose grandfather was a convinced Friend. Henry Isaac Rowntree, James Foster and Isaac Braithwaite all came from families long established in the Society of Friends.

The size of the concerns when they began was also quite small. In Somerset, C. & J. Clark probably had about a dozen employees in 1833, and the Cadbury brothers, who had inherited what would today be a small fortune, employed about the same number in 1861. There are many parallels, some of which we have seen. Of the largest companies, Huntley & Palmers is particularly notable for having started with a staff of only eight, including the partners. This firm also illustrates another aspect of this story, that perhaps because of their emergence from agriculture at an earlier time numbers of Friends were engaged in the food trades. At all accounts, what we know of the Quaker family firms bears out the hypothesis of two movements: from farming into small towns and trade, and from wholesaling into manufacture.

Then there was a certain innovative flair. The achievements of the Coalbrookdale Company in the eighteenth century had been extraordinary and, indeed, unparalleled elsewhere in Quaker or non-Quaker enterprises. The Cadburys originally had a shop in Birmingham which is credited with having the very first plate glass window in the town. The brothers were early pioneers of advertising, and entered trade at the point when the guarantee of quality was passing from the retailer to the supplier, and hence brand names were beginning to be seen. It is to Cadbury Brothers that we owe chocolate box tops and the art that goes with them. Frys and Huntley & Palmers were both concerns in which steam power was introduced in advance of need, with consequent gains in productivity against the competition, and Clarks grasped early on the importance of marketable uses for their by-products. Huntley & Palmers relied on business practices now frowned on but designed to produce stability and regularity, such as resale price maintenance, selective discounts on different types of product and limitations on possible outlets.

There is also evidence of a concern for employees when this was not widespread. However, attitudes were ambivalent. An illuminating remark was made recently by a BBC financial journalist commenting on the takeover bid for Rowntree Mackintosh by Nestle. He spoke of the irony that a 'great nineteenth-century liberal company' should be in danger of being taken over by the 'secretive Swiss multinational'. It is the word 'liberal' that is arresting. Perhaps 'generously high-minded' would be more accurate.

There is not much evidence one way or another about the attitude of Quaker capitalists towards trade unions before this century, though it is fairly clear that on wages and fringe benefits they tended to be ahead of the field rather than behind it. Beyond the confines of the firm, they knew no better than anybody else in Victorian England what to do about the poor. Certainly the garden suburbs of Bournville and New Earswick at Birmingham and York were not designed to be company towns—far from it. But, one way or another, the Quakers saw the urban proletariat as material for improvement rather than liberty. Hence the disappointment many modern Friends feel when people succumb to the blandishments of the affluent society rather than opting for what Friends consider the good life to be.

But are these considerations enough to substantiate the existence of the Quaker firm as a recognisable entity? Certainly, if there is a Quaker temperament, one can expect it to show itself in a way of life, notably in business, where qualities of integrity and inventiveness are plain to see when measured against the prevailing standards at any time. It is probably clearer in the eighteenth century than the nineteenth, and to test the hypothesis some comparable studies would need to be undertaken of figures such as Titus Salt of Bradford, or movements such as Methodism, to try and estimate their influence on social life. The impact of Methodism on working-class life, culture and politics is well known, its influence on business less so.

The difficulty here is to be clear. You can say George Cadbury and Seebohm Rowntree were 'Quaker' businessmen, as well as being notable social reformers. But if you define their principles and values as 'Quaker' ones, you are tacitly defining 'Quakers' in terms of its better features rather than its less attractive ones, and this is a value judgment. Additionally, you need to distinguish ideas that derived from the Quaker tradition and those which are of secular origin, and the nineteenth century was a period prolific with new ideas. Nor were they alone. Other non-Quaker businessmen have shown similar energy and philanthropy, so it looks as if, in this connection, 'Quaker' has to become a descriptive rather than an analytical term. The later Quaker business may be important more because it is noticeable than because it is 'Quaker'.

So does that mean that the description has no substance? As an analytic tool it is not very precise, but the evidence that it has some content, though not conclusive, is surely persuasive. It is a matter of fact that it was noticed, and there is no doubt that there were far more successful businesses run by member of the Society of Friends than would be expected statistically from a sample of the general population of the same size. We have already indicated some possible explanations of that fact. But it is at least plausible that certain distinctive qualities of the firms themselves resulting from Quaker management contributed to their economic success. One test would be an analysis of the business community of another denomination.

We certainly should expect that some of the distinctiveness of Quaker life would be brought to the way businesses were organised and run. Taken seriously, religion does narrow down the choices one has in life, so that in these circumstances religious adherence is a constraint on choice in business and plays a controlling part in the kind of activity undertaken. It is perhaps less noticeable when an enterprise has grown beyond a certain size, and personal control is no longer possible. Then again, we may be blind to religious motivation because we are also blind to the extent of our own secular values. We have already indicated the powerful formative influence exercised by Quaker discipline on its members, an influence that was far more pervasive than that which most of us are accustomed to now.

### The End of the Era of the Quaker Firm and Lessons for the Future

Between 1859 and 1861 the old Discipline was largely abolished and marrying out became much more common. Moreover, the mature stage of the Industrial Revolution was beginning, and this is really the death knell of anything that might be seen as distinctive in the Quaker contribution to economic life. The old apprenticeship system changed with the era of specialisation and larger managerial units, and the newer, and soon the older, universities were open to dissenters. This is all part of the process, begun by the Evangelical Movement, by which the Society of Friends was at last fully integrated into the life of the nation.

Thereafter the subcultural factors at work to influence the nature of Quaker business life rapidly diminished in importance. In this period, examples appear of affluence destroying principle, as certain Friends, buying country houses, go the way of so many of the less than self-confident upper middle classes of England in forsaking enterprise for the quiet lifestyle of the rural gentry. As the adage had it, the carriage did not stop for long at the meeting house door.

Various quite general economic trends had their effect too. The development of the joint-stock company enabled capital to be raised on a much wider basis and this necessarily had implications for family control. The merger between Cadburys and Frys between the wars came about because there was no member of the Fry family willing to continue in executive control of the business. This is a problem not infrequently encountered in long-established and successful family concerns. Huntley & Palmers, Cadbury Brothers and C. & J. Clark were all incorporated in the decade surrounding 1900. The leading Quaker-backed insurance institution, Friends Provident, was governed by a special Act of Parliament in 1915.

Then we encounter the cartel, oligopolistic competition, the multinational company, institutional investors and great concentrations of economic power. Both the Quaker cocoa giants are now part of larger groupings, Rowntree Mackintosh and Cadbury-Schweppes, each of which is vulnerable to take-over by even larger giants overseas. There is an interesting historical reversal here. Both undertakings grew out of specialisation from within a more general grocery business, and both have now reverted to the production of a much wider range of foodstuffs than that for which they obtained renown.

Society has changed also. The day when partners knew each of the workers on the shop floor personally, controlled what people wore to come to work or expected the day to begin with factory prayers have gone for good. There is more to life than work nowadays, and those things that paternalistic or liberal employers once sought to impose upon their workers, for whatever reason, are no longer acceptable. The countervailing power of the trade unions ensures a democratic rather than a progressive voice in the councils of the once-Quaker companies, and the welfare state has replaced the docility or apparent gratitude towards management with an independence that signals a total change in the assumptions on which industrial society runs.

Perhaps the last phase in the Quaker involvement with business is a constructive commentary on these things. During the last quarter of the twentieth century Britain went through a period of intense economic readjustment, and social and industrial questions were the subject of lively debate within the Society of Friends as well as in society at large. Quaker opinion sought to bring religious principles to bear on the business ethics of its employer members, and the Quaker business fraternity had to find the means of reconciling conscience and the demands of practicality in the new environment of dawning monopoly capitalism.

The task was not easy. Friends place a high value on both independence and co-operation, and sometimes fail to see the inherent conflict between the two. Thus, management values of orderly decision making and implementation of policy can appear to be at variance with conceptions of partnership and democratic involvement. Given good will, the Quaker ideal, these two tendencies can be reconciled. Nevertheless, mutual self-interest between employer and employees can have the same effect without the same moral force.

When they do not, Quaker firms have been as liable as any others to place survival, or the imperatives of change, before the interests of the workforce. The expectations of long-serving employees are often at variance with the new ideas or the younger generations of the owner families. The larger or more complicated the business, the fewer members of the family or the Society of Friends will be employed and the more the ethos of the firm will approximate to prevailing standards outside, by, for example, taking decisions other than by the Quaker business methods or bowing to the wishes of institutional shareholders where they are at variance with the family's principles. This is in part the result of structural change, but also an aspect of the increasing professionalism of business management. It does not always square with the Society of Friends' perceptions of itself or what it thinks its members ought to stand for. This state of affairs has grown gradually in the last 80 years or so.

In the period between the election of the Liberal government of 1906 and the long inter-war slump that began in 1922 there was widespread industrial unrest that contributed much to the rise of the Labour Party. Disquiet at the growing concentration of industrial ownership produced various proposals for some sort of industrial democracy. At the same time, wider questions of social policy were raised. The number of recruits found to be physically unfit for military service in the Boer War (1899–1902) illustrated graphically that the diet, physical environment and medical condition of the working classes were seriously defective. Strategically, economically and morally these were disadvantages the country could do without, and a consensus for change grew up among people with widely varying motives. Collectivism came to Britain.

Against this background there was some criticism of Quaker employers from Friends who took seriously the challenges of welfare and participation at the workplace, noticing some of the developments outlined above. Profitability as the criterion of business success was seen to have serious drawbacks, and authoritarian

management appeared to be a waste of human resources as well as a denial of personal dignity. The Quaker employer (and there were many) who listened to the voice of the Society was thus in a quandary, but was in due course helped out by changing circumstances.

After 1922 inter-war price deflation took place. Mass unemployment characterised working-class life in the older centres of heavy industry, and there was great poverty there. But elsewhere it was a period of innovation, technical change and rising real incomes. As the effects of industrial conflict were somewhat mitigated, attention shifted from the question of distribution to the creation of wealth. Though a number of conferences of Quaker industrialists were held on the subject of partnership and the social order, leading Friends such as Edward Cadbury (who had written about the achievements of Bournville in his 1912 book *Experiments in Industrial Organization*) were taking the lead in the new movement of rational management theory.

Underlying this process was the conviction that good working conditions are good for business, and that efficient production contributes to full employment and a better standard of living for all. Thus, new objectives and methods found a place in the thinking of forward-looking managements in the processes of production and also the use of industrial psychology and improved personnel relations. Managerial autonomy could thus be seen as a rational rather than an authoritarian phenomenon, and the conflict between independence and co-operation neatly resolved.

So, as the Quaker firm itself was gradually ceasing to exist, Quaker business thinking was giving a strong push to the development of more humane working conditions in British industry. This was an ideal coincidence as, within the Quaker community, just those values of co-operation and purposefulness that scientific management required were lying ready to hand and waiting to be utilised. But this proved to be the pioneering phase of a much longer-term development that has by no means run its whole course. Part of its impetus clearly came from Quakerism, and that is a fact that should not be denied or undervalued. However, the complexity of modern industry and the disappearance of the Quaker entrepreneur and the family firm as significant features of economic life have drawn a line under any further corporate innovation on the previous scale of influence.

Much still needs to be done to bring the whole of British industry up to the standards Edward Cadbury envisaged for it; but in the absence of widespread Quaker representation in the business community that task must be undertaken by others. At the same time, there are those who can be heard to argue that the age of large concentrated factory production is over, and a new kind of advanced economy is coming into being. If this, or something like it, is the case, then there is still an acute demand for visionary management.

Today there are Friends who turn their backs on this heritage, and see only the damage that industrialisation has most certainly inflicted on the world. The



dream of small-scale cooperative production, autonomy and democracy is a beautiful one, and it is exemplified in the thought of John Woolman, the Quaker Gandhi. But if we are not to turn our backs on the ability of technology to create complex economies capable of greatly enriching the vision as well as the welfare of the human race and, even more, if we are to ensure the abolition of poverty on a world basis, we cannot ignore the challenge of management, which is simply the art of co-ordination applied in the economic sphere. Unless we are to forgo, for example, all the advances in medical technology achieved in the last half-century, we have to live in an economy that is capable of supporting them.

If advanced economies could capture the secret of the steady-state company with a social conscience, as the Quaker businesses had within their grasp at one stage, a way forward might be found that would provide personal fulfillment, a high standard of living and methods of production that do not exploit the environment. The lesson of the Quaker business is that change is best effected from within, and conceivably the best place for young Quakers who wish to change the world is back in business. These days, you do not need your family.

Source: John Punshon, 'The English Quaker Firm', in Birkel, Michael L. and Newman, John W. (eds), *The Lamb's War: Quaker essays to honor Hugh Barbour* (Richmond, IN: Earlham College Press, 1992), pp. 173–94. Transcribed by Eva Abbott and reprinted with permission.