

The Christian Entrepreneurs: Business expansion in America

■ by David Parish

Americans are known for their entrepreneurial spirit. David investigates 19th century examples of this and shows how and why Methodists were at the forefront of business expansion. Wealth also brought temptations. This article shows how we can learn both from the US Methodists' achievements and their mistakes.



In 1842 a British author stepped ashore in New York to be met with the sort of welcome now received by pop stars and returning Olympic athletes. He was in turn an amused observer, enthusiastic over the friendliness of American people but also critical of the mores he found in American society.

Charles Dickens had met Americans in London but his first visit prompted him to write an account of his visit in *American Notes*¹ and to parody some of its worst commercialism in the novel *Martin Chuzzlewit*².

In *American Notes* he wrote that Americans were 'adventurous persons in the prime of life'³. In the novel young Martin sets out to make his fortune in America and accompanied by his manservant sets out for Ohio. He gets involved in one of the worst scams in American business history, where worthless plots of mosquito-ridden swampland along the Ohio were sold as 'prime farm land' to unsuspecting investors by unprincipled speculators. As we will see later some of those speculators were Evangelical Christians!

With the Industrial Revolution America expanded from a collection of backwater towns and ports into a growing industrial trading power. The rural areas surrounding Manhattan were covered in shops, factories and houses. Today there is only one house left from the 1700s. Visitors to the city today can see most of the older buildings, such as the Waldorf Astoria Hotel and Columbia University, which were built over older

housing in the late 1800s and early 1900s. The population of New York had grown from a few hundred thousand in 1819 to 5.6 million by 1920. Old photographs from the early 1900s show a city under constant construction, with every pier on the East River docks occupied by vessels from all parts of the world.

As Dickens describes it the city was full of energy and hope for the future built on a basis of restless capitalistic enterprise. 'Is smartness American for forgery?', asked Martin⁴. He later reflects: 'All their cares, hopes, joys, affections, virtues and associations seem to be melted down with dollars'⁵

Christians, and in particular the Nonconformists, were often at the forefront of this commercial enterprise.

The move of the population westward began slowly but with the building of the Erie Canal and steam passenger boats on the Ohio and the Mississippi the Midwest of America quickly built its population. Cincinnati was established as a village in 1790 but became a city in 1819 and still has a good collection of houses and shops from that period along Arch Street.

The population of America grew from 23m in 1850 to 62m by 1890.

Trade along the Erie Canal increased from 54,219 tonnes in 1836 to 1.9m tonnes in 1860. Churches with land along the canal debated the position to take on Sunday movement of goods and the Sunday use of postal service. ►►

- One church in Albany even contemplated using its canal frontage as commercial wharves for the canal. The contributions to the Protestant churches and agencies in America in 1860 are estimated as being between \$35m and \$40m. The production of cotton goods as a comparison was \$115m and lumber \$96m.⁶

The Methodist Church used its early strategy of itinerant ministry to good effect and young preachers, even the married ones, were not allowed to 'settle' until they had carried out several years of ministry travelling from new town to new city along the length of the frontier. It was an extremely arduous and at times dangerous life.

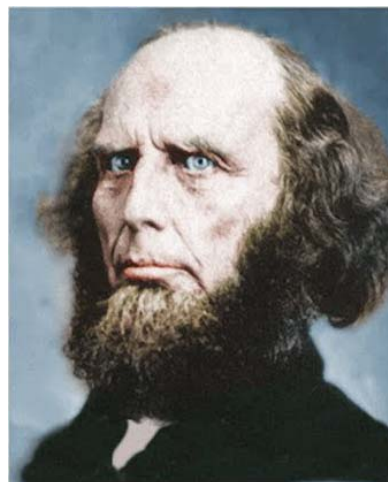
By 1896 they had established 22,000 churches and meeting halls. They had a membership of 2.4m and represented 4% of the population. All these ministers and congregations needed books and printed resources and so the church established its own printing house and book depositories to print and sell this material. They were helped by the fact that John Wesley and Francis Asbury had granted them the American rights to publish their works. We tend to think the Christian 'bestseller' is a new phenomenon but Wesley and Asbury were in constant reprint as well as the books of the Methodist writers of the period. The Methodist Yearbook for 1896 shows that sales were \$6m, and it produced a profit of \$600,000. Adjusting for inflation the figures today would be \$150m and \$15m⁷.

A comparison for today would be that Harper Collins paid a reputed \$200m in 2011 for Christian publishers Thomas Nelson and the combined group will publish 50% of Christian books. Harper Collins turnover in 2011 was \$1,200m. The Methodist Book Concern was a large enterprise by any standards and a major contributor at the time to the national GDP which in 1900 was \$20.7m.

Individuals also prospered as the entrepreneurs set up business in the expanding Midwest: they founded factories, retail stores and other businesses. Some were already members of churches and some were converted by the frontier preachers. The entrepreneurial skills moved back and forth from church board to business and back again.

Giving to churches represented around 4% of annual earnings and this was in addition to paying pew rents. Some churches acquired land and built houses which they rented out at a profit to raise incomes for their operational costs.

Some Methodists became very wealthy. Thomas Worthington, a senator from Ohio, was a promoter of cotton, wool and flax manufacturing. Philip Gatch, who began as an itinerant minister and then 'settled', became a cotton planter in Maryland and Virginia before moving to Ohio. He moved because he was disenchanted with the slavery of the south and saw the opportunities for agriculture as the Midwest opened up. He tried to tempt others like Edward Dromgoole to join him but instead Dromgoole speculated in land in Ohio and managed farms there through the wealthy Pelham family; they engaged in woollen and cotton manufacturing as well as farming. The Pelhams often hosted Asbury when he travelled in the area⁸.



The evangelist Charles Finney

Dromgoole had emigrated from Ireland as he had embraced the Protestant faith and in America became a Methodist preacher. After he settled he became a wealthy land owner, and as this was in Virginia he was a slave owner until after the Civil War⁹.

It is interesting to see the tensions that growing wealth created for church leaders. The evangelist Charles Finney, although concerned over the distractions of wealth for his followers, acknowledged he needed support from the business community in developing new church sites¹⁰. ►►

►► Even as early as 1740 George Whitefield noted on a visit to Boston that the women in the congregation wore 'jewels and gay apparel' and that both ministers and congregation 'seem to be too much conformed in the world'¹¹

Francis Wayland, who became president of Brown University in 1835, was also a

Baptist Minister. Brown was then a Baptist institution and the denominational counterpoint to the Reformed churches, which were behind the founding of Yale. Wayland was an economist and mathematician. He was keen that business, as well as being founded on sound commercial and economic principles, should also have moral qualifications: *It is almost superfluous however, to add, that a free constitution is of no value, unless the moral and intellectual character of the people be sufficiently elevated to avail itself of the advantages which it offers* and in another sermon 'our object is to baptise the riches of men with the spirit of the gospel'¹².

Max Weber the German economist who is seen by many as the founder of sociology as an academic discipline, was a professor in Heidelberg. In 1904, he was invited to deliver a lecture at the Congress of Arts and Sciences in St. Louis, Missouri. He saw America as a country stripped of its morality and divorced from its religious foundation. To Weber, it was further supporting evidence for his most famous work, *The Protestant Ethic and the Spirit of Capitalism*. These essays, published in 1904 and 1905, discussed his idea that the rise of modern capitalism was partly attributable to Protestantism. He concentrated on the links between Calvinism and Capitalism but he also acknowledged the role of denominations like the Methodists and Baptists who followed the views of salvation and grace first taught by



George Whitefield

Jacobus Arminius. Their view of the operation of grace in the life of the believer produced a more spontaneous faith and a more egalitarian form of church governance. As has been seen, ministers moved from preaching into business with ease, and the commercial practices that made them successful businessmen were introduced into church operations.

I would argue, as Richard Carwardine has done in *God and Mammon*, that it was the flexibility and entrepreneurial spirit that made Methodism the major force in America that it became in the period 1850 to 1915. They grew much faster than their 'competitors' like the Baptists and Congregationalists and at an early stage eclipsed the Presbyterians and Anglicans in the west.

Contemporary Challenges

For those of us engaged in the business world today I believe there are similar challenges to those faced by the American Christians in the commercial world of the 1800s. They faced rapid changes in technology with the advent of the telegraph and rail transport. A fast growing population also presented new opportunities for commerce. They had to face new circumstances flexibly and find new ways of doing business. Speed and success always seem to place our moral compass under stress. Doing what is expedient rather than that which is right becomes easier and in a sense more acceptable as the issues become more complex and relationships more extended by time and distance. The deregulation of the London Share trading market was one of the reasons that global growth was enabled to happen and more businesses found easier access to finance. At the same time it sowed the seeds for the near collapse of the banks and global finance in 2008. ►►

►► How can we guard against being ‘conformed to the world’ as George Whitefield termed it?

I think one safeguard is that we seek advice on a key decision from several angles, not just those who we know would agree with us. The ‘critical friend’ can be vital to avoid *hubris* and overreach. In her study of a large London church in 2011 *The Metropolis and Evangelical Life*¹³, Anna Strhan, an ethnographer who lectures and researches at Kent University, found that although the business people and lawyers who were members sought to adopt a moral perspective on their work they found it hard to resist the pressures of an amoral work place. She calls it ‘oscillating between two registers’. These issues are not easy and we will not always get it right. I suspect readers of this article will have differing views on whether the Church of England should sell its stake in Bridgewater, the hedge fund that has \$150bn in assets, because it holds a small part of its investment in Wonga.

Richard Chartres, the Bishop of London in a lecture on *Work* given in 2007 suggests it helps to use Liturgy to maintain our balance in life. He points out that the root word in Greek is *liturgia* where in ancient Greece the public were called to help with some civil duty or public building work. If I am going to a meeting in central London I try and get there early and go into one of the many churches and pray over the meetings in my day ahead.

One of the keys to success of the Methodist Book Concern was to use the data gathered

by the church to see where new communities were growing. The Methodist Church was ahead of many businesses in that early on it sent out printed *pro forma* sheets with columns to be filled in on membership and finances, so that each church used the same format and reported consistently.

Recently the Dioceses of London sent out detailed information to each vicar giving details of the demographics of their parish and outlining how other churches were approaching some of the issues of society today. However of around ten clergy I surveyed, only two had looked at the document! One of the first managers I worked for frequently impressed on me that you cannot manage what you do not measure.

The early American Methodists were great risk-takers, both in terms of personal risk in entering unexplored areas where Indian raids were still common, but also in taking calculated financial risks in expanding their print shops. Justin Welby is impressing on the Church of England that in order to serve the people well, it needs to take risks with new styles of church and ministry.

In some respects the 2000s in Europe seem like the old West in terms of rapidly changing boundaries, both geographically and socially, and new ways of viewing business and society.

It would be good to emulate the courage and flexibility of those early Methodists. ■

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- 1 Charles Dickens, *American Notes*, London, Mandarin Books, 1991.
- 2 Charles Dickens, *Martin Chuzzlewit*, London, Penguin Classics, 2004.
- 3 *American Notes*, p.11.
- 4 *Martin Chuzzlewit*, p.258
- 5 *Martin Chuzzlewit*, p. 266.
- 6 Robin Clay & John Lunn, *Protestants and the American Economy in the Postcolonial period: An Overview* in Mark A. Noll (Ed), *God and Mammon: Protestants, Money, and the Market, 1790-1860*, OUP USA, 2001, p.39.
- 7 A. B. Sanford (ed.) *The Methodist Year Book for 1896*, New York, Hunt & Eaton, 1896, p.47
- 8 Richard Carwardine, *Methodists and the Market Revolution* in *God and Mammon* op.cit., p.80
- 9 Will Allen Dromgoole, *The Heart of Old Hickory and Other Stories of Tennessee*, Boston, Estes and Lauriat, c.1895. (available as an Amazon Kindle), p.7.
- 10 Charles G. Finney, *Autobiography of Charles Finney*, Revival Publishing (<http://www.revival-library.org>), p.42.
- 11 Edwin Scott Gaustad, Mark A. Noll. (eds.) *A Documentary History of Religion in America: to 1877*, W.B. Eerdmans, 2003, p. 162.
- 12 Mark A. Noll, *Protestant Reasoning about Money and the Economy 1790-1860*, in *God and Mammon* op.cit., p. 272.
- 13 Available at <http://www.tandfonline.com/doi/abs/10.1080/UdtpthasaoM#.VCPksGctDGg>