



The Economic Transformation of Canadian Mennonite Brethren

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Introduction:

The 1940s and 1950s were years of exceptionally rapid change for Canadian Mennonite Brethren. In 1940 Mennonite Brethren, like most other Canadian Mennonites, still lived in relatively isolated rural communities and were occupationally tied to agriculture and small town agricultural service activities.¹ They still adhered to a fairly strong separatist lifestyle, but tended to define the evidence of separation from "the world" in cultural and social, rather than in economic or technological terms. Old Order Mennonites and the Old Order Amish in Ontario thought the technology associated with automobiles and electricity might involve dangerous compromises with unbelievers.² They also insisted on distinctive forms of dress, particularly for the women. The North West Mennonite Conference issued warnings about Christians becoming unequally yoked with unbelievers in the Prairie Wheat Pools and other agricultural supply management schemes, while the Old Colony Mennonites in Saskatchewan and Manitoba placed great emphasis on separatist educational models. Mennonite Brethren, however, were more likely to identify the old Methodist favorite quintet of sins - alcohol, smoking, card playing, dancing and movies - as the most visible evidence of worldliness. Pool halls were added to the list of places to be avoided in response to unique local circumstances in some communities.

The comparative willingness of Mennonite Brethren to accept close economic links with the outside world was partially rooted in

their unique historical experiences in Canada, and resulted in support for a curious array of different kinds of economic organizations.

Unique aspects of Mennonite Brethren economic history and identity.

Mennonite Brethren patterns of economic integration and assimilation in Canada were based, in part at least, on their unique and more sharply differentiated economic experiences in the 1920s, 1930s and the early war years. Two factors were particularly important.

The first unique aspect of the Canadian Mennonite Brethren economic identity at mid-century was due to the simple fact that immigrants who came from the Soviet Union in the 1920s gained an influence and dominance in Canadian Mennonite Brethren communities, congregations and conferences that was not matched in any other Mennonite or Canadian immigrant group. The membership statistics given in the various Mennonite Brethren Conference Year Books are not altogether reliable, but they do indicate some obvious trends. Taken decade by decade, sharp increases in membership in the Northern District of the Mennonite Brethren Conference of North America are obvious.

Table 1³Canadian Mennonite Brethren Membership, by Decade.

Year	Membership
1920	1,790
1930	3,870
1941	7,877
1950	10,710
1960	13,952
1970	16,880
1980	21,892
1990	27,336

It should be noted how small the membership in Canadian Mennonite Brethren churches was before the immigration of the 1920s. Almost all the new members were new immigrants, or the children of members.⁴ Much has been written about the aggressive congregational and conference leadership styles of these immigrants, but very little has thus far been written about the leadership they provided in the abandonment of many separatist Mennonite economic organizations and their acceptance of virtually complete integration into Canadian economic affairs.

The economic experiences of the Mennonite immigrants of the 1920s were, in some respects, uniquely difficult and disruptive. The immigrants came from a great variety of economic backgrounds in the Soviet Union, but almost all hoped or expected to establish themselves as agriculturalists or in agricultural service industries in Canada.⁵ From an economic point of view, they arrived in Canada at a very bad time. Those wishing to establish themselves in farming had to borrow large sums at high interest rates to supplement the meager savings they had been able to bring along, to purchase farm land and machinery at the inflated prices

of the late 1920s.⁶ Advice and assistance from the Canadian Pacific Railway and the Canada Colonization Association⁷ protected Mennonite land purchasers from the worst excesses of the late 1920s, but a great deal of land and equipment was purchased at prices which left very little, if anything, for the farmer when drought and low commodity prices in the depression years of the 1930s devastated the farm economy. When the transportation debt owed to the CPR was included, the debts incurred by Mennonite immigrants in the 1920s created enormous difficulty in the 1930s and early 1940s.

A "Referat" or study paper prepared by Rev. Aaron A. Toews of Namaka for the 1939 annual meeting of the representative assembly of Mennonite settlers in Alberta expressed the disappointment, frustration, and hopelessness of the immigrant farmers who tried, in the drought and depression plagued 1930s, to discharge the very onerous obligations they had accepted in the late 1920s. Toews praised the generous and helpful support the immigrants had received from the Canadian Pacific Railway, the Canada Colonization Association, and private land vendors, but then pointed out that:

If, today, we contemplate the naked truth, recognizing how most of the settlers are desperately struggling to maintain their impoverished situation, and realizing how many have already given up any hope of ever obtaining a clear title to their own soil and home, in spite of the hard work already done, one must ask in astonishment: "How is this possible? Why must experienced agriculturalists with unparalleled hard work and perseverance, who should be well on the road to prosperity, face such an uncertain future and such drastically restricted economic prospects. Where can we find an explanation for such a dilemma?"⁸

Toews lamented that these economic problems were particularly

difficult for the young people, and that many young Mennonites had already been lost or estranged from their own people [Unser Volk] and joined the ranks of the unemployed and restlessly discontented proletariat. His conclusion, while theologically sound, was hardly inspiring.

So, what shall we do now? Shall we become discouraged and fold our hands in our laps. No! that would be unworthy of Christians and Mennonite farmers! We must again put our hand to the plow, but look heavenward from whence all earthly blessings come. Then we can move forward with courage and confidence. The world belongs to the courageous. But, if in spite of our best efforts, it has been determined that we remain poor, we should repeat with the Apostle Paul: "Having food and raiment, let us be content therewith." The word of God further admonishes us to "Seek first the Kingdom of God and its righteousness, and all these things will be added unto you."⁹

That was not a message which discouraged farmers' sons considering the advantages of enlistment in the Canadian armed forces or of better paid off-farm wartime employment wanted to hear. It is true that the general agricultural situation improved during the war years, but not equally for all farmers. To the complete surprise of most Canadian agricultural experts and farmers, who expected a sharp increase in the demand for wheat, wartime demand for cereal grains fell sharply in 1940. British, and later American food policies required much less wheat and much larger quantities of bacon, cheese, eggs, beef, chickens and turkeys.¹⁰ Farmers with the necessary technological expertise and capital to invest in hog, dairy, poultry and beef operations prospered. Those who lacked the necessary financial resources to diversify their operations, and instead stayed with grain, found

the early 1940s as difficult as the 1930s.¹¹

The Mennonite immigrants of the 1920s who had gone heavily into debt to acquire their farms, stock and equipment in the late 1920s had neither the savings nor the credit to diversify their operations during the war years. As a result, farm failures among these people were very high, and many of those leaving the farms for active or alternative service or off-farm wartime employment had neither the resources nor the incentive to return to farming after the war.¹² The large number of post-war Mennonite immigrants were even less likely to have or obtain the capital necessary to establish themselves on farms of their own. Mennonite farmers on well established farms with only moderate debts were able to weather the depression and early wartime crises, and prospered if they switched their operations to meet changing market conditions early in the war or had good grain crops after 1943. But those who had come to Canada in the 1920s and begun farming with heavy debt loads had a terrible time. Canadian Mennonite Brethren, as already indicated, had a very disproportionate number of their members in this latter category.

A second factor further aggravated the situation for the Mennonite Brethren. They had a much larger proportion of their members in British Columbia, Alberta and Saskatchewan, than did any of the other Mennonite groups. Again the available conference statistics, although not entirely accurate, give a clear picture of the disproportionate western distribution of Mennonite Brethren members.

Table 2¹³Canadian Mennonite Brethren, by province

Year	Total Memb.	B.C.	Alta.	Sask.	Man.	Ont.	Que.	Mar.
1920	1,790	-	-	1,425	365	-	-	-
1930	3,870	-	221	2,166	1,483	-	-	-
1941	7,877	1,131	873	2,800	2,268	805	-	-
1950	10,710	3,343	1,048	2,130	2,664	1,525	-	-
1960	13,952	4,453	1,199	2,276	3,853	2,171	-	-
1970	16,880	5,660	1,456	2,495	4,445	2,778	46	-
1980	21,892	7,861	1,974	3,034	5,240	3,457	326	-
1990	27,336	11,320	2,394	3,240	5,866	3,825	691	64

The economic significance of these numbers lies in the fact that the agricultural economies of the western provinces were much more volatile than those of the Central Canadian provinces, or even of Manitoba. Farmers in the western provinces depended heavily on international export markets for their livelihood. That had also been the case in Ontario and Quebec in the first half of the nineteenth century, and in Manitoba early in the twentieth century, but then urbanization and industrialization had created major local and domestic markets for agricultural products, and by the middle of the twentieth century most of the farm produce grown in Ontario was consumed locally while Quebec had become a net importer of wheat and many other agricultural products. Even in Manitoba, the city of Winnipeg provided a very important local market for local farmers, and the Mennonites had been among the first to supply that market with dairy and poultry products.

During the depression, Ontario Premier Mitch Hepburn, a farmer himself, established a number of provincial agricultural supply management and marketing boards which sought to protect Ontario farmers from the worst and most violent international price

fluctuations.¹⁴ As long as the bulk of the Ontario grown produce was also sold to consumers in the province, these provincial schemes provided stability, predictability and reasonable returns for the farmers. During the war that stability and predictability was further strengthened for eastern Canadian farmers by the tight controls established by the Wartime Prices and Trade Board for all products grown and consumed in the country.

Winnipeg markets cushioned the impact of international market fluctuations for many Manitoba farmers, but those further west had to sell most of their produce on wildly fluctuating, and in the 1930s severely depressed, international markets.¹⁵ After the outbreak of war, the Wartime Prices and Trade Board was always concerned about both the returns farmers needed to remain in business and the impact any price increases for agricultural products would have on domestic consumer prices. At various times the Board recommended small federal subsidies for agricultural producers in order to hold down food prices and thus control inflationary pressures. But those subsidies never completely protected western farmers from international price fluctuations. While the subsidies met the needs of relatively well established farmers, those in a financially overextended state had great difficulty in keeping their farming operations financially afloat. The Wartime Prices and Trade Board policies were designed to keep established farmers, and particularly those willing to diversify their operations, in business. But the Board also accepted the fact that its pricing policies would force many marginal or heavily

indebted farmers off the land and into active military service or employment in the booming but understaffed war industries.¹⁶

The Mennonite Brethren were particularly, and doubly vulnerable. More of their members than of any other group had only gotten their start in Canadian agriculture in the late 1920s, and more of their members than of any other Mennonite group lived in the western provinces where farmers were particularly vulnerable to the vicissitudes of international commodity markets. The agricultural crisis of the 1930s, and the sharp and unexpected shifts in agricultural market conditions during the early years of the war, therefore hit them particularly hard.

Mennonite Economic Institutions and Problems in the 1940s.

The economic problems facing Canadian Mennonite Brethren at mid-century were, for the reasons just stated, exceptionally difficult. Survival, not economic or theological ideology, governed their economic activities, during the difficult years and continued to do so even after conditions improved in the mid and late 1940s. The result was that Canadian Mennonite Brethren became fully integrated into the economic life of the nation. Old notions of economic separation from "the world" were abandoned with the acceptance of new nationally and internationally integrated economic structures and marketing arrangements.

One interesting and revealing indicator of the failure to integrate Mennonite Brethren economic thinking with other aspects of their faith may be seen in the lack of any discussion of

economic issues in The Voice, which was for many years the official academic publication of the Mennonite Brethren Bible College. Even more notable is a sharp falling off of references to economic matters in the local and community reports published in the Mennonitische Rundschau after the war. Indeed, the seemingly deliberate avoidance of economic matters reminds me of the harsh reaction of one Mennonite Brethren leader when he heard that I was studying economics at the university. Why, he wondered, would anyone want to study the theology of Mammon.

Four types of economic institutions and organizations operated in most Canadian Mennonite communities before 1940. These were privately owned farms and small businesses, mutual aid organizations, secular co-operatives, and larger horizontally and/or vertically integrated corporations. All four had important separatist tendencies before 1940, but became fully integrated in the next two decades. Mennonite Brethren, with their uniquely difficult pre-war and early war economic experiences, offered less resistance to that integration than most other Canadian Mennonite groups. Mennonite Brethren leaders had been active and influential in numerous private and community economic initiatives before 1940, but provided very few guidelines to be followed by their members in the conduct of economic affairs after the war.¹⁷

The basic economic unit in Canadian Mennonite communities was the the privately owned and independently operated family farm or small agricultural service business. These farms and small businesses required much hard work, but relatively small capital

investments. The scale of operation was generally quite small, and success depended on the reputation, the integrity, and the practical good sense of the operator. J. Winfield Fretz argues in his latest book that:

Farming above all other occupations or professions provided an ideal environment in which to carry out the church and family ideals. Closeness to nature, in a setting for raising and nurturing a family where all members could take part in the work and enjoy the fruits of their labour, has always been attractive to Mennonites. Farming was also historically favourable to the concept of the believers church and its adherence to a policy of separation from the world.¹⁹

Farming and agricultural service businesses represented a wholistic way of life in which the individual operator, the community and the church came together and where everyone had a recognized function. After 1945, however, farming became more mechanized, requiring much larger capital investments, and leaving other family, community and church members who had formerly been engaged in manual labour to earn their livelihood elsewhere. Farming and rural service ventures became more businesslike. Some Mennonite groups, of course, prescribed specific measures to prevent the loss of their old separatist, rural and agricultural way of life.¹⁹ Mennonite Brethren leaders provided no official guidelines and set no official limits to the size or complexity of their members' business ventures.

During the more prosperous years after 1943 the relative influence of capital and labour became more sharply differentiated on many Mennonite farms, and even more so in Mennonite business ventures. Some successful Mennonite capitalists²⁰ in the 1940s and

1950s tried hard to preserve what they believed were the best features of the old family farm or small family business. Employees in Mennonite business firms were often described as members of an extended family where everyone ought to do whatever they could to advance the common good and then, presumably, to share in the resulting benefits. Several large businesses owned by Mennonite Brethren in Winnipeg, for example, had morning devotions for the workers on the shop floor. Others appointed a chaplain to look after the spiritual needs of the workers, and the employers boasted about the number of hours they spent working side by side with their employees in the shop. It was generally assumed that in hard times employers and employees alike would make sacrifices to ensure the success of the business. But prosperity quickly resulted in tensions if the reward or profits were not shared as equitably as the hardships.

The gulf between capital and labour only rarely caused serious trouble for Mennonite Brethren businessmen and workers before 1960. There were a few serious incidents, but when compared with the employer-employee relations problems in Mennonite schools, conferences, missions and congregations, these seemed manageable. It was, however, a fact that the fundamental tensions of modern, industrial and urban economic relations were also manifesting themselves in factories and businesses owned and operated by Mennonite Brethren. Conference and congregational leaders provided little or no guidance in such matters, and serious embarrassments seemingly became inevitable. Some successful large scale Mennonite

Brethren farming and business operators were exemplary in their business dealings. Others used and abused the power inherent in their control of major capital resources to exploit and intimidate their workers. Regretably, members of this latter group were only very rarely disciplined or denied positions of influence and power in Mennonite Brethren congregations and conferences. One looks in vain for evidence of any sensitivity on such matters by senior conference leaders. The Board of Reference and Counsel, for example, spent an inordinate amount of time and energy in dealing with a former pastor and Bible school teacher who had abused his position of authority for sexual gratification, but I have not found a single critical reference to members who were found guilty by labour relations boards or the courts of exploiting their employees. Special donations to the foreign missions budget protected even the greediest and most unscrupulous employers from any form of Mennonite Brethren church discipline. There were sometimes admonitions about the ways in which individuals spent or squandered their wealth, but almost never about the ways in which they had accumulated it.

All the larger Canadian Mennonite communities at mid-century had not only privately owned small independent agricultural and service ventures, but also important village or community based Mennonite Mutual Aid organizations. These had been established to deal with some major problems in health care and basic social welfare cases. These usually had explicitly stated "Christian" objectives. They were to provide help and relief to the needy,

the helpless and the suffering, regardless of ability to pay. The administration of orphans' trust funds, local hail and fire assistance, and limited insurance plans, health care, relief work and other necessary community or congregationally based social programs were established in many rural and agricultural Mennonite communities whose members did not wish to become "unequally yoked with unbelievers" in such endeavours.

The great variety of Mennonite Mutual Aid organizations in Canada during World War II were described in detail in 1943 when J. Winfield Fretz, an American sociologist who had just completed a doctoral thesis on Mennonite Mutual Aid, was commissioned by the Mennonite Central Committee to visit Canada to explore the possibilities of post-war Mennonite colonization. Fretz provided some of the most detailed information now available on economic conditions and circumstances in Mennonite communities across Canada.²¹ He believed that Mutual Aid organizations should be based on "Christian principles" which he called "brotherhood economics." Christians, in Fretz's view, should not accept economic practices which conformed to the practices and ideology of the outside world. They should instead "move in an opposite direction." Essentially he envisioned a separatist, if not isolationist, and self-sufficient model of Mennonite Mutual Aid, which he defined thus in a 1947 pamphlet on the subject.

A basic assumption underlying this pamphlet and the accompanying emphasis on mutual aid among Mennonites is that the Mennonite Church desires to continue teaching and practicing doctrines of separation of church and state; of non-resistance, of non-conformity to a secular world and of simplicity of living. This assumption must

be accepted in order to appreciate the purpose of this pamphlet which is to encourage the development of a program of Christian mutual aid among Mennonites. This emphasis is a conscious effort to move in an opposition direction to the secular currents of our time. It assumes that the church, as a brotherhood,... will seek to meet its economic and social needs through mutual assistance on the part of its people...As Christians we hardly realize how far we have discarded the laws of Christ in favor of the laws of the market. In fact, many make no distinction between the two. The aim of this pamphlet is to help Christian people discover ways of aiding one another in Christ. Christian mutual aid is a program aimed to spiritualize our economic practices; to put a soul into our vocation and daily work.²²

In his pamphlet Fretz argued that there was a clear difference between Christian Mutual Aid societies and secular co-operative organizations. "Mutual aid societies," he suggested, "may be characterized by the intimate nature of the relationships of the members and generally have as their primary motivation a religious or fraternal basis. Co-operative organizations are all too generally economically motivated and entirely secular in nature."²³ The well known and highly respected Mennonite scholar, Harold S. Bender, who wrote the introduction for this pamphlet, insisted that Fretz was "squarely within the authentic historic tradition of the Anabaptist-Mennonite movement with its spirit of Christian stewardship, mutual burden bearing, and practical brotherly love."²⁴

There were certainly many Mennonite Mutual Aid programs in which Canadian Mennonite Brethren participated and provided leadership in 1943, but Fretz and Bender were unduly influenced by the economic institutions established by their own conference and by the Old Orders in the United States. Many of the Canadian

Mennonite economic organizations which they regarded as Mutual Aid schemes in fact operated as the kind of co-operatives which Fretz tried, very carefully to differentiate from true Mutual Aid programs. In addition, most of the Mennonite Mutual Aid programs in Canada did not operate as Fretz and Bender thought they ought to operate. Fretz argued that:

a practical program of mutual aid within the church is one of the most effective ways of counter-acting the threat of statism in America. Statism is a religion not unlike emperor worship of early Roman days. The state sets itself up as the ultimate authority, demands absolute obedience, and in time of war requires the equivalent of worship in its zeal for evidences of patriotism...People who are dependent on the state for bread and butter, health, education, and economic security from the cradle to the grave will in the long run also tend to look to it for guidance and direction in other matters. As the state increases in importance, the church will decrease. Economic security apart from the church may mean spiritual indifference to the church. A program of mutual aid motivated by the Love of Christ will encourage men to look for guidance and direction to Christ and His followers rather than to Caesar. It is a way of testifying that Mennonites still believe in the separation of church and state.²⁵

Canadian Mennonite Brethren did not impose this strong anti-statist ideology on their Mutual Aid organizations. The first major test came with the introduction of the Canadian family allowance plan in 1944. Some Ontario Mennonites, and members of the North West Conference, rejected this intrusion of the state into matters which they believed should remain the concern of the church rather than of the state.²⁶ Some Mennonite Brethren also felt uneasy about the family allowances, but the government aid was not rejected in any co-ordinated manner.

The broad range of Canadian social development and welfare

policies which were a key element in the Canadian post-war reconstruction program were introduced with considerable sensitivity and political skill. Established welfare and mutual aid programs and organizations, such as church administered hospitals, old people's homes, child care facilities, and other mutual aid programs, could remain under private or denominational management and still receive government assistance if they met minimum government standards and requirements. The government policy was designed primarily to meet the unique conditions of Roman Catholic charitable institutions in Quebec, but charitable and mutual aid institutions elsewhere in Canada could also qualify for government funding. It usually took some time, and a financial crisis or the need to improve or expand facilities, often in response to a critical report from the fire inspector, before Canadian Mennonite charitable and mutual aid organizations accepted government money, but the opportunity to build and operate bigger and better facilities proved almost irresistible. The result was that, by 1960, very few of the large and expensive charitable institutions administered and supported by Canadian Mennonites could survive without government grants, subsidies and concessions given either directly to the institution or to those receiving and paying for the services rendered there. Acceptance of government money, even when administrative control remained with the sponsoring Mennonite agency, made many of the largest Mennonite Mutual Aid institutions pseudo-public facilities. These institutions still provided the charitable services for which they

had been established, but, far from reinforcing the separation of church and state, they became important instruments of economic integration.²⁷

In addition to the Mennonite Charities and Mutual Aid organizations and institutions there were a number of other Mennonite organized and promoted economic institutions which J. Winfield Fretz also identified as Mennonite Mutual Aid organizations but which were, in fact, secular co-operatives established to serve the selfish and secular economic objectives of the members. The rhetoric of "brotherhood economics" can be found in the founding documents of some of these co-operatives, but membership was never congregationally based in the sense that it was restricted to those who were members of a Mennonite Brethren, or even of a Mennonite church.²⁸ There was, moreover, no deliberate attempt "to move in an opposite direction to the currents of our time." Instead, the larger and more important Canadian Mennonite co-operatives explicitly accepted and tried to maximize benefits to their members while operating in accordance with the laws of the market.

Most agricultural co-operatives organized and administered by Canadian Mennonites were established for the same reasons that workers banded together in labour unions. Individually farmers had little or no influence on national or international market conditions, but if they banded together to process and market what they had grown they could, collectively, exert considerable influence and force buyers to pay higher prices and to treat the

growers or producers more generously. Similarly, consumers could band together to buy and distribute larger carlot shipments of necessary supplies, thereby taking advantage of bulk purchases and avoiding the markups of various middlemen. Mennonite Brethren were not only prominent, but in fact dominated, the affairs of several of the largest Mennonite agricultural co-operatives. Since these co-operatives are less well understood, and became the subject of bitter controversy, their operation will be explained in detail.

Developments at Yarrow, British Columbia, and Coaldale, Alberta, are particularly revealing because in those communities Mennonite Brethren were the largest and most influential group. Both communities had been established in the mid-1920s with exceptionally strong separatist overtones, and in spite of opposition from the Canadian Mennonite Board of Colonization at Rosthern.

At Yarrow a 700 acre tract of land was purchased from a local land developer in 1927, and frustrated or failed prairie grain farmers were invited to purchase small tracts of that land at exorbitantly high prices but on exceptionally easy repayment terms. The original plan was to lay out villages and to establish local forms of government and economic organizations, all closely following separatist Russian Mennonite settlement and governance models. The community elected its own governing committee, chaired by a Mennonite Brethren, whose functions were similar to those of the Schultze in the Russian Mennonite communities. The chairman was expected to deal more or less on a government to government

basis with outside government officials, and for a time did so. J. Winfield Fretz reported that:

In such local affairs as road work, bridge building and relief this committee deals entirely with the outside agencies. For instance, during the depression when Mennonites opposed the receiving of relief for their members this committee went to the municipal officials and asked for permission to construct its own roads, build its own bridges and in general take care of its public utilities and be paid its proper share out of the public treasury. This was accepted and the funds were used to provide employment for those Mennonites who most needed it.²⁹

The Yarrow settlers faced desperate poverty in the early years of the settlement, but their affairs improved in the late 1930s when a new variety of raspberry was developed which produced exceptionally well on their wet and heavy land.³⁰ At last the settlers had a saleable agricultural product but, alas, Japanese berry growers in the Fraser Valley were already producing more berries than the Vancouver and prairie markets could absorb. The Japanese growers had established their own co-operative marketing organization, the Pacific Co-operative Union, which worked hard to develop new markets and to limit production to avoid disastrous price competition.

The entry of Mennonite berry growers into the market led to the organization of a parallel Mennonite berry handling, processing and marketing agency, the Yarrow Growers' Co-operative. Reasonably amicable relations were established between the Yarrow Growers' Co-operative and the Pacific Union Co-operative as both sought new markets. In 1938 that search ended in the signing of major contracts with British importers who were looking for berries

suitable for the manufacture of jam. The Yarrow raspberries, packed in barrels in Sodium dioxide, were particularly well suited for that purpose, and the British contracts became the most important and profitable market for the Yarrow growers, particularly after the Japanese berry farmers were evacuated to the interior in 1942.

The Yarrow Growers' Co-operative extended its operations into a wide range of loosely related producer and consumer services, but its most important function was to process and market the locally grown berries at the best market price possible. When federal price controls set unacceptably low price ceilings for berries, the Yarrow Growers' Co-operative joined with other likeminded organizations to lobby and participate in public demonstrations demanding, and obtaining, federal production subsidies. The forcible evacuation of the Japanese berry growers in 1942 left the field wide open for the Mennonite berry growers, and the Yarrow Growers' Co-operative rapidly expanded until it marketed nearly 70% of the berries grown in the lower Fraser Valley.

The success of the Yarrow Growers' Co-operative in the mid 1940s was due to its complete economic and political integration into the wartime economy of Canada. Old separatist notions of "brotherhood economics" were abandoned although there were still occasional polite references to those ideals. The Yarrow Growers' Co-operative prospered as a secular organization with essentially selfish economic objectives. As long as economic survival was the overriding concern, organizations like the Yarrow Growers' Co-

operative which provided growers with a better return for their produce, received strong support. But the Yarrow Growers' Co-operative came to a bad end in 1948 when the Canadian government refused to provide additional export credits to British importers of berries for the manufacture of jam. Loss of the British market, and the failure or inability to make alternative marketing arrangements, led to the collapse of the Yarrow co-operative. It had rendered a necessary and valuable service during the war and immediate post war years, but it was too small and too weak to cope with international market problems in the post-war era. After its collapse the local growers organized smaller and less ambitious marketing co-operatives which were linked to more powerful, influential, and obviously non-Mennonite processing and marketing companies and agencies.³¹

Agricultural producer co-operatives such as the Yarrow Growers' Co-operative were never separatist economic organizations. Instead they served as a transitional device facilitating the complete economic integration of Mennonites into the mainstream of Canadian economic life.

The situation was similar in the Mennonite community at Coaldale which, according to CPR officials, "was unique in that it was more completely planned in advance of settlement than any of the other Mennonite communities with which he [T. O. F. Herzer of the Canadian Pacific Railway] was associated."³² One of the important Mennonite dominated farm producer co-operative established at Coaldale was a cheese factory which processed and

sold cheese and other dairy products.³³ Southern Alberta had few established cheese factories before the 1920s, and Mennonite organized cheese factories in the 1930s and 1940s were able to control local cheese markets,³⁴ much as the Northern Alberta Dairy Pool did further north. The success of the Coaldale Co-operative Cheese Factory during the war years was due, in very large measure, to the large milk and cheese contracts signed with the administrators of the large Prisoner of War camps at Lethbridge and Medicine Hat, each of which was built to accommodate 10,000 prisoners.³⁵ In addition, the Coaldale cheese factory supplied local and district markets. It also served as the centre around which a host of other economic, social and cultural activities developed. An egg grading station, lumber, oil and gas retail outlets, a credit union, a German lending library, a government sponsored cold storage plant,³⁶ the offices for various mutual aid organizations designed to help people in ill health or who had suffered hail, storm or fire losses, and eventually a local milk delivery system, all came to be concentrated on the grounds of the cheese factory. But in its primary functions the Coaldale Mennonite Co-operative Cheese Factory, and the other Mennonite cheese factories in southern Alberta, were economically and politically integrated and operated in accordance with the laws of the markets.

In both Yarrow and Coaldale, as well as in many other Canadian Mennonite communities, there were not only Mennonite organized co-operatives, but also other more broadly based co-operative schemes.

The Canadian Pacific Railway took the initiative in developing both the large irrigation system and in building a sugar refinery to process sugar beets that were to be grown on the irrigated land in southern Alberta. The main motives of the railway company in establishing and promoting these ancillary enterprises was to sell its lands and to generate more traffic. The company therefore organized a co-operative system which allowed the local irrigation and sugar beet farmers to participate with appointed railway officials in these ancillary ventures. The long term objective was to convert these ventures into locally owned, administered and self-sustaining co-operative operations. The Mennonites were offered 80 acre irrigation farms, complete with basic buildings and equipment. No down payment was required, but the new farmer had to agree to plant and deliver to the credit of the CPR the produce of 10 acres of sugar beets, thus repaying the \$80 per acre purchase price of the land on terms directly linked to the productive capacity of the land. The CPR and the settlers it established on its irrigation lands formed a unique economic partnership. Here was an effective model of co-operation far removed from traditional separatist Mennonite mutual aid models. The CPR and Mennonite colonists were yoked together to achieve mutually beneficial but very different economic objectives.

More typical were the various broadly based co-operative agricultural products marketing schemes. The milk producers of the lower Fraser Valley had established an effective milk pool. This pool was similar to the wheat pools on the prairies, and to

numerous other agricultural commodity supply management, marketing and pooling schemes, all promoted by that ubiquitous California lawyer, farm and labour activist, Aron Sapiro. Mennonite dairy farmers co-operated and participated in the supply managed milk pool of the Fraser Valley Milk Producers Association, particularly after the removal of numerous Japanese dairy farmers opened up lucrative quotas for the Mennonite farmers. Poultry farmers in British Columbia joined a similar program. All these agricultural commodity marketing co-operatives were entirely secular and fully integrated into the local economic, social and political environment although Aron Sapiro, a California Jew, sometimes sounded very much like some of the prairie proponents of a social gospel.

In the post-war years almost all of the smaller agricultural co-operatives found direct competition with large vertically and horizontally integrated corporations difficult. A number sold out to the larger operators, some of which were privately owned while others, notably the prairie wheat pools and the huge co-operative dairies, retained a co-operative structure but operated in the marketplace like other large companies. In other cases the smaller co-operatives sought refuge under the protective umbrella of the Federated Co-operatives Ltd., or sold out to one of the larger integrated agricultural corporations.

The old, single commodity agricultural co-operative organizations in which Canadian Mennonites had participated with great enthusiasm and in which they had achieved some phenomenal

economic success, were generally too small or too narrowly specialized to meet the needs or address the problems of the increasingly integrated corporate world of the 1950s.

In most Canadian Mennonite communities the co-operatives always existed side by side with privately owned business ventures. Vertical or horizontal integration became an important survival and growth strategy for many large and rapidly growing corporations. Mennonite Brethren readily did business with, and sometimes became partners in or promoters of such corporations. The laws of the market, not some concept of "brotherhood economics," dictated the policies and strategies of these integrated corporations. Mennonite Brethren conference proceedings offer no guidance on how members might reconcile the laws of the market with notions of brotherhood economics. They do not even suggest that there may be some inconsistency between them two. Economic morality did not receive the same kind of attention as sexual morality from Mennonite Brethren leaders.

Conclusion.

Private ownership of farms and small rural and agricultural service businesses, Mennonite Mutual Aid (charity) organizations, secular co-operatives, and large privately owned and managed entrepreneurial undertakings were all important economic institutions in Mennonite Brethren communities at mid-century. But the relative importance and the way in which each functioned changed rapidly in the two decades of the mid-century. Farming

became increasingly mechanized, capital intensive and therefore requiring better business skills, while the increased importance of capital in privately owned Mennonite businesses widened the gaps between those controlling that capital and the workers they employed. Charitable and mutual aid organizations became more dependent on government welfare policies and subsidies. The Mennonite dominated agricultural co-operative ventures provided vital economic services during the difficult depression and war years, but either had to expand, diversify their operations, or merge their operations with much larger enterprises to meet the major economic problems of the post-war era which came to be dominated increasingly by larger horizontally and vertically integrated corporations.

The net result of all these changes was that the old separatist and isolationist economic institutions gave way to new integrated ways of dealing with economic problems. Mennonite Brethren offered little resistance, and their intellectual and church leaders paid little attention to this rapid integration into the economic systems of the world. Missions, evangelism and advanced education, not economic organizations or ideologies, dominated conference and congregational deliberations.

At mid-century Mennonite Brethren still spoke, wrote, preached and worried a great deal about worldliness, but they ceased to define it in economic terms, unless discretionary funds that could and should be used to support missions, the college, and other congregational and conference projects, were wasted on "worldly"

pleasures and amusements. How members bought and sold what they produced or needed was their affair, but there were stern conference prohibitions against the purchase of television sets and other undesirable influences of the outside world. Stated bluntly, Mennonite Brethren in Canada at mid-century defined worldliness in social and cultural, but not in economic terms.

ENDNOTES

1. According to the Canadian census, 86.9% of Canada's 111,380 Mennonites lived on farms or in small rural towns and villages in 1941. CANADA Census of Canada, 1942, Table 37, Population by principal religious denominations and sex, for counties and census division. The census statistics cited here, and membership figures cited later in this paper, should be used with caution. The census figures, of course, include all those who indicated on the census form that they were "Mennonite." Only about half of that number were actually members of any Mennonite church. The church membership figures, of course, do not include unbaptized young people or other adherents, but the census figures almost certainly also include some cultural or ethnic Mennonites who rarely or never attended a Mennonite church. The membership figures published in the yearbooks of the Northern District, or later of the Canadian Conference of the Mennonite Brethren Church of North America sometimes carry exactly the same figures for particular churches or provinces for three or four years before they are updated, and membership figures for some congregations are sometimes left blank. In addition, many of the immigrants of the 1920s who had been members of a Mennonite church in the Soviet Union, accepted short-term farm or other employment or began farming in a district where there was no nearby Mennonite church. Such people did not become members of any Canadian Mennonite church until they had established themselves in a new community. As a result, the church membership statistics are less than completely reliable. What is quite clear, however, is that from 1940 through 1960 the membership increases came almost exclusively from ethnic Mennonite people - not from neighbouring non-Mennonite people.

2. A more detailed explanation of the reasons for Amish concerns regarding aspects of modern technology is given in Donald B. Karybill, The Riddle of Amish Culture (Baltimore: Johns Hopkins University Press, 1989).

3. These statistics were provided by the staff at the Center for Mennonite Brethren Studies in Fresno, California, and are based on the membership figures given in the annual conference yearbooks for the years indicated. In most cases the numbers indicate membership on 31 December of the previous year. Since no conference yearbook was published in 1940, the figures for 1941 are used.

4. Several speakers at the annual meeting of the Canadian Conference, as reported in the 1960 Year Book of the fiftieth Canadian Conference of the Mennonite Brethren Church of North America reviewed the history and development of the Canadian conference and commented on various aspects of the membership statistics. It is indicative of the minor inaccuracies in the statistics that the membership of the conference in 1960 is given as 14,075 on page 4, but as 14,185 on page 260 of the 1960

Conference Year Book.

5. It is true that a disproportionate number of the immigrants of the 1920s had been teachers, preachers or other professionals in Russia before the revolution or under the Soviet regime. Some, including my grandfather, my father, an uncle and an aunt, tried very hard to re-establish themselves in Canada in their former careers. Both the Canadian Mennonite Board of Colonization and the Canadian Pacific Railway's Canada Colonization Association believed that the immigrants should establish farming communities, but that those so inclined might find teaching positions in rural, agricultural Mennonite communities. Many of the former teachers and preachers, nevertheless, had to find their livelihood in agriculture.

6. The most detailed information on some of these land sales, and the subsequent problems faced by the Mennonite farmers, is available in Glenbow-Alberta Archives, Canadian Pacific Railway Papers, 1886-1958. See for example Box 173, File 1719 which documents the sale of the Whitman Farm near Hussar, Alberta, to a group of Mennonites from Saskatchewan. The Western Weekly Law Reports document a number of cases in which Mennonite purchasers were unable or unwilling in the 1930s to meet financial obligations they had undertaken in the late 1920s.

7. The Railway Agreement of 1925 gave the Canadian Pacific and the Canadian National Railways effective control over the recruitment of European agriculturalists. Both national railways were eager to attract Mennonites from the Soviet Union and other immigrants which could be settled on vacant or underdeveloped railway lands. Together the two railways organized the Canada Colonization Association, but competitive tactics also led to the creation by both railways of their own special operating departments designed to serve new settlers - the Department of Colonization and Development of the Canadian Pacific Railway and the Department of Colonization and Agriculture of Canadian National Railways. This led to a reduced use and an unwillingness to provide funds for the operation of the Canada Colonization Association by Canadian National Railways, leaving that association as one of the operating departments of the Canadian Pacific Railway. Other Canadian Pacific Railway departments active in the promotion of Mennonite immigration and colonization were the Colonization Finance Corporation and the Department of Natural Resources.

8. A. A. Toews, "Sind wir als Siedler wirtschaftlich vorwaerts gekommen?" Referat presented at the 9th Vertreterversammlung der mennonitischen Siedler Albertas im Bethause der Mennonitengemeinde zu Tofield am 14 und 15 July 1939, as published in Der Bote, 14 Feb. 1940, p. 7-8. The report was, of course, written and published in German. The translation is mine.

9. Ibid.

10. G. E. Britnell and V. C. Fowke, Canadian Agriculture in War and Peace, 1935-1950 (Stanford, Ca.: Stanford University Press, 1962).

11. The demand for cereal grains increased once war devastated areas occupied by enemy forces were liberated, and by 1945 the demand for wheat and bread in liberated Europe absorbed all available grain covered either by government export credits or United Nations Relief and Rehabilitation contracts. Canadian grain prices were carefully controlled by the government during the war, and those controls were only removed gradually after the war to prevent windfall profiteering. That meant that operating margins for heavily indebted farmers remained problematic.

12. "Zur Siedlungsfrage," Mennonitische Rundschau, 16 Sept. 1942, p. 4.

13. These figures, like the ones from Table 1, were provided by the Center for Mennonite Brethren Studies in Fresno, California.

14. K. J. Rea, The Prosperous Years. The Economic History of Ontario, 1939-75 (Toronto: University of Toronto Press, 1985), John T. Saywell, "Just call me Mitch," The Life of Mitchell F. Hepburn (Toronto: University of Toronto Press, 1991), G. E. Britnell and V. C. Fowke, Canadian Agriculture in War and Peace, 1935-50 (Stanford, Ca.: Stanford University Press, 1962).

15. V. C. Fowke, The National Policy and the Wheat Economy (Toronto: University of Toronto Press, 1957). In British Columbia both the dairy farmers and the poultrymen had established effective supply management schemes in the 1930s. Mennonite farmers participated in those schemes, and were consequently much less vulnerable to international market fluctuations than was the case for berry producers in the province.

16. National Archives of Canada, Record Group 64, Vol. 1555, Handbook entitled Stabilization Controls and What They Do, prepared by an interdepartmental committee composed of representatives of the Departments of Finance, Labour, Agriculture, the Wartime Prices and Trade Board, and the War Information Board, December 1943.

17. The willingness of Mennonite Brethren to accept integrated economic institutions stands in sharp contrast to the continuing emphasis groups such as the Hutterites and Old Order Mennonites and Old Order Amish placed on the maintenance of their own separatist economic institutions. The (Old) Mennonite Church in Ontario, and the North West Conference in western Canada participated in some of the new institutions but worked hard to maintain some of their traditional organizations as well. Even the General Conference Mennonites devoted a good deal of time and attention to ways and means whereby they could maintain a significant degree of economic control. Such matters, as far as I can discover, were not debated at Mennonite Brethren conferences. Nor were they the subject of

scholarly or public discussion in the journals and newspapers published by Mennonite Brethren.

18. J. Winfield Fretz, The Waterloo Mennonites. A Community in Paradox (Waterloo: Wilfrid Laurier University Press, 1989).

19. Donald Kraybill suggests that Amish insistence on the use of the horse in field operations set practical limits to the size and complexity of Amish farms. Donald B. Kraybill, The Riddle of Amish Culture (Baltimore: Johns Hopkins University Press, 1989). The Church of God in Christ, Mennonite, accepts modern technology, but carefully watches the businesses of its members and orders those who grow too large to reduce their operations or sell branches of their businesses.

20. The term capitalist, as used here, is meant simply as a description of individuals who were able to accumulate and use capital. The most obvious uses of capital are to hire and pay for the labour of others, and to purchase technology, supplies and raw materials.

21. Mennonite Church Archives, Goshen, Indiana, Mennonite Central Committee Papers, IX-5-1, Executive Committee Minutes, 18 September 1943, which include Dr. J. W. Fretz, "Report on my Trip to Canada to Study Mennonite Colonization." (Hereafter referred to as Fretz 1943 Report.)

22. J. Winfield Fretz, Christian Mutual Aid. A Handbook of Brotherhood Economics (Akron, Pa.: Herald Press, 1947), p. 8-9.

23. Ibid., p. 6.

24. J. Winfield Fretz, Christian Mutual Aid. A Handbook of Brotherhood Economics (Akron, Pa.: Herald Press, 1947) p. 3.

25. Ibid., p. 87.

26. William Janzen, Limits on Liberty. The Experience of Mennonite, Hutterite and Doukhobor Communities in Canada (Toronto: University of Toronto Press, 1990), Part V, and Bert Friesen, Where We Stand. An Index to Statements by Mennonites and Brethren in Christ in Canada, 1787-1982 (Winnipeg: Mennonite Central Committee, Canada, 1986), p. 190.

27. It is interesting to contrast the experience of the Mennonite Church with those of General Conference and Mennonite Brethren. The latter two accepted direct government support. The Mennonite Board of Missions and Charities refused such direct support, but established policies, particularly for the institutions in the United States, which seemed to make them even more dependent on government social policies. Clients, patients or guests in the charitable institutions of the Mennonite Church were expected to

pay for the services received, according to their ability. That ability, however, quickly came to be defined as the precise amount of their old age pension, disability or welfare cheques. Fees at the facilities moved, in locked step, with State welfare policies. Individuals who did not receive government support and did not have the necessary money themselves were refused admission unless they could find family or congregational sponsors who would pay the appropriate fees. Congregations were expected to cover any deficit between the financial ability of their members and the established fees. In effect, these charitable institutions depended on government policies, but obtained the money indirectly. The government, nevertheless, insisted that minimum standards be met by the institution if it accepted individuals who were receiving some sort of social assistance, and almost every major renovation in the homes was only made after government safety, health or fire inspectors complained that the existing facilities were unsatisfactory. None of this quite fit the old separatist model of mutual aid.

28. The only Mennonite economic institutions which specifically restricted membership to Mennonites were the Mennonite Credit Unions, but the membership restrictions in most of those cases were due to federal banking legislation. Canadian Credit Unions enjoyed significant federal tax advantages and were not subject to the infamous "double liability" provisions of Canadian banking legislation. The established chartered banks, not the Credit Unions, insisted on the membership and other restrictions under which the Credit Unions were allowed to operate.

29. Fretz 1943 Report, p. 37.

30. The best general history of the Mennonite community at Yarrow is Agatha E. Klassen, Yarrow. A Portrait in Mosaic (Yarrow, BC: Agatha E. Klassen, 1976).

31. A good example of the newer and more cautious Growers' Co-operative is the Abbotsford Growers Co-operative Union, founded late in 1947, and working closely with a federation of all berry growers in the Fraser Valley. One of the most controversial decisions made by this co-operataive was to order all members to reduce their plantings of Newburgh raspberries by 50%. (Protokoll, 25 January 1949.

32. Fretz 1943 Report, p. 22.

33. P. H. Regehr, Er fuehret...Geschichte der Coaldale Mennonitischen Kaeserei, 1928-1958 (n.p., n.p., n.d.). The date in the title should apparently be 1938, but there had been limited cheese-making facilities at Coaldale earlier.

34. The Annual Reports of the Alberta Department of Agriculture list all the cheese factories in Alberta. At various times about half of these were in predominantly Mennonite communities, most in southern Alberta since the large and well established Northern Alberta Co-operative Dairy Producers dominated the market in the northern half of the province. The primary market for Alberta produced cheese was, of course, local, but British Columbia had only two small cheese factories in the 1940s and drew most of its cheese requirements from outside markets - initially from the Ottawa Valley but increasingly during the war from Alberta.

35. Fretz mentions this contract in his report. A considerable diversification of irrigation farming to include a variety of vegetables and other row crops was also greatly aided by the food requirements of the Prisoner of War camps. David Ewert stated in his personal recollections at the conference in Fresno in February of 1993 that members of the Mennonite Brethren Church at Coaldale who were carpenters were not permitted to accept employment in the building of the prisoner of war camps. Yet the Mennonite controlled local cheese factory sold cheese and milk to the camps, and hundreds of the prisoners worked on farms owned by Mennonite Brethren. The prisoners working on Mennonite farms were invited to attend worship services at the Mennonite Brethren Church in Coaldale, and occupied the last two or three rows of seats in that church.

36. Both the egg grading station and the cold storage plant were only made possible because the provincial government provided substantial marketing or start-up assistance.