The Meda Experiment
1953-1978

Twenty-Five Years of Experience in Helping "Little People" To Get Established in Their own Businesses in Over Twenty Countries Around the World

J. Winfield Fretz

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Waterloo, Ontario
1978
This book is dedicated to the
Memory of two MEDA pioneers:

Orie O. Miller
1892-1977
He conceived the idea of MEDA
and helped bring it into being.

Ed. J. Peters
1905-1973
He was the founding president
and for 20 years its leader.
Preface

When I was asked to write the 25-year account of MEDA's activities I was told this was not to be a memorial to MEDA members. The assignment was rather to be an objective sociological evaluation of the successes and failures of MEDA over its first quarter century.

I accepted the invitation with a kind of irresistible eagerness because I have been fascinated with the MEDA philosophy, aims and objectives from its beginning. It has always seemed to me to be an idea whose time had come. I have viewed it as a very natural and logical expression of the Christian faith.

This attraction to MEDA and to writing about its first 25 years is probably explained by life-long interests in Christian mutual aid. During my undergraduate days at Bluffton College I was considered somewhat radical in my economic and political views. I felt uncomfortable in trying to reconcile the ethics of capitalism with Christianity. In looking for a solution to the dilemma I was told by one of my professors, Jacob S. Schultz, that I should look into the subject of Mennonite mutual aid which, he said, played an important role in Mennonite history. This was news to me. I investigated and found that Dr. Schultz had pointed me to an inexhaustible ideological Christian treasure. That discovery gave focus to my graduate studies and has shaped much of my subsequent life.

Two of my graduate school theses at the University of Chicago were on the subject of mutual aid and I have written many articles since. However, I had almost lost hope that the main stream of Mennonites would ever again have any practical interest in this aspect of their heritage, when along came MEDA. Unfortunately, I was not a man of means and therefore could not help MEDA financially to any significant degree, but I could give intellectual and moral support, and I did. The MEDA charter members found a way to include me in the membership and to use such contributions as I could make.

My willingness to postpone other research in progress to do this story is in part an effort to repay those kindnesses and it is my way of contributing to the promotion of the MEDA idea and method of demonstrating practical Christianity. One reason why I find MEDA's program exciting is that it has showed a way for the church to help others without demeaning them. We have long been taught that it is a Christian's duty to practice charity; to be generous and to help widows and orphans. But we have not been taught how to give help without making the recipient feel beholden to us when we give. Long ago Jesus reminded us that it was more pleasant to give than to receive.

MEDA's program of mutual aid has greatly minimized the gap between giver and receiver. The recipients expect to repay the aid.
They receive financial loans temporarily. When the loan is repaid the money does not return to MEDA; it is used to help someone else. The recipient thus becomes a link in the long and endless chain of mutual aid to those in need of assistance. It is this idea of Christian sharing which to me seems exciting. The motivation seems pure, the methods simple, and the end results practical. Those who furnish the capital do so out of a desire to have their abundance make up for what others lack.

I wish personally to express appreciation for the contributions certain people have made and/or are making. No one has devoted more time, energy, and personal resources to MEDA than Erie Sauder. He was the secretary of the organization from 1953 to 1969 and the chairman of the Paraguay Committee until 1978. He has been the real dynamo of MEDA. It would not be improper to say that he has been for MEDA what Orie Miller was to MCC. Not only was he deeply committed to this cause but his enthusiasm succeeded in involving his first wife, and his son, Maynard, in numerous MEDA administrative details.

Edward G. Snyder served for approximately 20 years as the vice-president of MEDA. He travelled at his own expense over the world, making field visits to MEDA projects and supporting the cause at every turn. William T. Snyder, the successor to Orie Miller as MCC executive secretary, has given constant and wise counsel to MEDA throughout its entire history. Olin Britsch, the treasurer for most of the 25 years of MEDA's existence, has contributed greatly to keeping the financial records in usable form. This is a herculean task in view of the different currencies that have to be dealt with in the many different countries where projects were in operation.

Milo Shantz, the president of both the United States and Canada chapters of MEDA, and Lloyd Fisher, the executive director, have given excellent cooperation in gathering the data and providing the opportunity for field observation. I deeply regret that I was unable to write with as much detail about projects in Africa and Asia and certain countries in Latin America as I have about others which I visited in 1977.

J. Winfield Fretz
Conrad Grebel College
Waterloo, Ontario, Canada
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The MEDA Story is the report of a small group of Christian business persons and their efforts to help those in need. It does not pretend to have the ultimate solutions to the world’s ills, but it describes an attempt at positive action.

Business persons enjoy taking risks—enjoy the challenges of doing what some say can’t be done. They are busy and under constant pressure. They are resourceful and put a high value on stewardship. What is equally true but less recognized is that they are persons of compassion. This book describes the attempt of business persons, working together in Mennonite Economic Development Associates (MEDA), to use their talents and resources to ease the plight of others.

It has been my privilege to know many MEDA members personally. My work with the Mennonite Central Committee has permitted me to visit MEDA projects overseas. I have heard MEDA members report on overseas trips and shared in their struggle to find useful solutions to difficult problems. I know of no instance where a MEDA member has experienced monetary gain through MEDA activity, but I have known some who have suffered substantial losses. On numerous occasions I have seen members challenge each other to make additional contributions to compensate for operating losses or to write off their investment.

Some have asked why yet another agency like MEDA was necessary. They would have been inclined to let the Mennonite Central Committee (MCC) or mission boards do the job. MEDA members contribute substantially to MCC and mission causes, but they also wanted an organization through which they could contribute investment funds and managerial talent.

Church agencies have not always known how to manage business ventures. They refer selected projects to MEDA but participate in it directly and indirectly. MEDA is a member of the Mennonite Council of International Ministries and a representative from MCC is invited to serve on the MEDA Board of Trustees.

Some question the capitalistic approach to development. There is danger in exporting North American capitalism; and capitalism has its limitations. The MEDA experience, however, suggests that there are selected situations which lend themselves to a venture in brotherhood economics.

As I have become better acquainted with MEDA members I have discovered that business persons often feel lonely and misunderstood. Their wealth and lifestyle sets them apart. Others seldom recognize the pressures to which they are subjected. Often it seems the church appeals for their money while condemning how it was earned. In MEDA, business persons have a fraternity where they feel accepted and understood.

During the 25 years spanned by this book, the world scene
has changed significantly. Much has been learned about helping across cultural and political boundaries. Today we have a better understanding of how difficult it is to apply the glib but sound ideal, "helping people to help themselves". MEDA may only now be on the verge of realizing its full potential, based on the valuable but expensive lessons of experience.

The writer has been much too modest in recognizing his own contributions. He was there at the beginning and anyone who knows J. Winfield Fretz well knows that he wasn’t just sitting by silently. In 1972 he and Mrs. Fretz visited and evaluated many MEDA projects in Asian and African countries. Now we are indebted to him for giving us this balanced account of success and disappointments in 25 years of MEDA history.

Edgar Stoesz
Mennonite Central Committee
Akron, Pennsylvania
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The Birth of MEDA

This book is the story of Mennonite Economic Development Associates, commonly called MEDA. The year 1978 marks the 25th anniversary of this unique service agency.

The origin of MEDA should be seen against the background of the aftermath of the second World War. As a result of that catastrophe more than 25,000 Mennonites fled from Russia and possibly as many as 10,000 from the Danzig area in East Germany. Of that number, 5,000 from Russia were assisted in migrating to Paraguay in 1947 and 1948, and 1,200 from Danzig were settled in Uruguay in 1948 and 1951. That story is told by the author in greater detail in other places. These refugees from Russia would have preferred to migrate to the United States or Canada, but the doors of immigration to those countries were at that time closed to them. For want of other more favourable alternatives these displaced persons decided to accept the invitation of the Paraguayan government to join the three large Mennonite settlements that had been established in that country earlier.

The Mennonite Central Committee, in cooperation with the Inter-Governmental Committee on European Migration, helped these 5,000 post-war refugees to establish themselves in two different geographical areas of Paraguay. One group of 2,500 established the colony of Neuland, 35 miles south of the older colony of Fernheim in the Chaco. The other group established the colony of Volendam in eastern Paraguay along the Paraguay River, about 70 miles north of Asuncion and 15 miles west of the older colony of Friesland. The Volendam settlement numbered 1,800 in 1950. The remaining 700


2. The names of the colonies and dates of founding were: Menno (1926), Fernheim (1930), Friesland (1937), Neuland (1947), Volendam (1947), Bergthal (1948), Sommerfeld (1948).
settled in various scattered locations. Some were absorbed in Fernheim and Friesland. Some stayed in Buenos Aires, Argentina, where they had been temporarily detained, and others found employment in Asuncion.

The assistance given by the Mennonite Central Committee and by individuals directly from Canada and the United States was primarily in the form of outright relief, such as money, food, clothing, household equipment, building material, and large shipments of used farm machinery. Of major importance was MCC’s assistance in securing large blocks of land for the settlements providing funds for the erection of schools, hospitals and meeting houses as well as providing a small army of voluntary service personnel from North America. These persons served as temporary teachers, nurses, doctors, dentists, agriculturalists and as welfare workers in a wide assortment of jobs.

Such assistance was valuable and essential, but it helped the colonies only to set up housekeeping and provided a means for temporary survival. What was needed in addition was capital for economic development. Many of the new arrivals were skilled craftsmen, experienced technicians in industry, and men with considerable management experience in a variety of economic enterprises. There were those who were eager to establish repair shops, processing industries, and small businesses in order to provide a better means of livelihood for themselves and to improve conditions in the colonies. As refugees, however, they lacked the necessary capital and financial credit to undertake such business ventures.

There were no banking or credit facilities of either a public or a private nature in all Paraguay for MEDA-type projects. The colony cooperatives normally extended credit only for purchases of consumer goods. The only credit facilities available in Paraguayan banks were short term loans at excessively high interest rates, ranging from 15 to 25 percent.

Numerous requests for loan capital from the Mennonites in the Paraguay colonies were conveyed to North Americans by a variety of channels. In 1951 this writer was commissioned by the MCC to visit all of the South American colonies for the purpose of making a sociological report on the first 25 years of experience in the new countries of Paraguay, Brazil, Uruguay, and Argentina.³

³It is of historical and sociological interest to note that before 1922 there were no ethnic Mennonite settlements in all of Latin America. The first such settlements were made in March of 1922 by over 5,000 conservative Mennonites from Manitoba and Saskatchewan. The first settlement in Paraguay was made by Sommerfelder Mennonites from Manitoba in December of 1926. The first settlement in Brazil was made in 1930 by Mennonites who had fled from Russia; the first settlement in Uruguay in 1948 by Mennonites who escaped from the Danzig area in Germany and the first in Bolivia in 1954 by a small group of families from Fernheim in Paraguay. By 1978 there were an estimated 80,000 men, women, and children who are religiously identified as Mennonites.
Additional channels reporting the needs for financial assistance from the Mennonite settlements in Paraguay to North American Mennonites came through the large number of MCC workers, who were being sent to the colonies following World War II in an effort to assist them in establishing these new settlements. Administrators of relief and supplies, doctors, nurses, teachers, social workers, agricultural assistants, and a variety of generalists represented the Mennonites of United States and Canada in Paraguay, Brazil, and Uruguay for more than a decade following World War II. Many of these workers were able to convey general needs as well as interpret specific requests for funds. Individuals and congregations, in many cases, would have liked to respond with funds, but there was no organized arrangement for carrying out such assistance.

Among those who were sent from North America to Paraguay was Herbert Schmidt, a medical doctor from Newton, Kansas, who was asked by MCC to assist in the establishment of a hospital and a medical service for the older colony of Fernheim. In addition to his professional interest as a doctor, he had strong feelings about the need for economic development in the Chaco colonies. He frequently expressed those concerns to the Mennonite Central Committee and to other influential individuals in the United States whom he felt might be willing to provide assistance.

The confluence of these two social factors, namely the great need in Paraguay for loan capital on the one hand, and growing interest among businessmen in North America to provide such assistance on the other, came together in 1952. Under the leadership of Dr. Schmidt, and in cooperation with the services of the Mennonite Central Committee, a group of six men decided to fly to Paraguay at their own expense to study economic conditions there. This decision attracted considerable attention in the press and was dubbed by journalists as "The Flying Mission." There were actually two "Flying Missions," one in 1952 and the other in 1953. The first group consisted of six members, two of whom were medical doctors, three farmers, and one a businessman. The second mission consisted of three members, one a doctor and two farmers.

Results of the Flying Mission

Upon returning to North America members of the mission had two meetings with the MCC Executive Secretary, Orie O. Miller.

*Members of the first group were Herbert Schmidt, John B. Nanninga, Jacob A. Schowalter, all of Newton, Kansas; Ed. J. Peters, Wasco, California; Ivan Miller, Corry, Pennsylvania; and C.A. DeFehr, Winnipeg, Manitoba.
and William T. Snyder, the assistant secretary, for the purpose of reviewing the mission's findings. Before deciding to undertake any projects, a second "mission," also headed by Dr. Schmidt, decided to fly to Paraguay.5

Following the return of the second mission a number of potential projects were considered, and from these two were selected for implementation. The now historic meeting in which MEDA came into existence took place at the old Atlantic Hotel in Chicago on December 10, 1953. It is also important to note that MCC served once more as the midwife to assist in the birth of a new organization. None other than Orrie Miller, the amazingly creative and resourceful executive secretary, came forth with a formula for the new organization which the charter members quickly accepted.

The question may be asked why the Mennonite Central Committee did not respond to the need for capital funds and thus eliminate the need for yet another organization. The reason is that the Mennonite Central Committee was not organized for such a purpose. It came into existence for the purpose of providing emergency relief to Mennonites in Russia. At the time Russia was suffering from the ravages of World War I, a severe famine, and the devastating and uprooting effects of the Soviet revolution on all organized life in Russia. The MCC is a charitable organization and operates on contributed dollars. Its mandate is not that of providing capital and credit for the development of business and industry under private auspices.

It must also be stated quite frankly that the majority of North American Mennonites had very little confidence that loans for business purposes to South American colonists had any possibility of being repaid. It was generally assumed that any money advanced to their co-religionists in South America had better be direct gifts in order to avoid disappointments on the part of creditors and debtors alike. If the question is asked why the established church conferences did not come forth with financial assistance for economic purposes the answer is similar to that given for the MCC. The mission boards, organized a half century earlier, assumed that their primary responsibility was evangelization, not economic assistance. In order to enhance evangelization they organized schools, hospitals, and agricultural development programs. These, however, were all financed with contributed dollars which did not need to be repaid. Thus following World War II neither the MCC nor any of the church conferences were inclined, or organized, to provide financial assistance in the

5Members of the second group, beside Dr. Schmidt, were Henry Pankratz, Mountain Lake, Minnesota, and John Tieszen, Henderson, Nebraska. It is interesting to note that five of the eight men, who went on the exploratory trips, were farmers.
Orie O. Miller was the originator of MEDA concept.

form of long-term loans for economic development. We must also remember that this was the time before government foreign aid programs were well established. The United States Point Four Program was initiated by President Harry Truman in 1948, but during the early years of that program all assistance was directed to other governmental agencies, usually for large public works projects. The Canadian International Development Agency, called CIDA, did not get under way until a number of years later. Likewise, large private voluntary organizations, such as CARE and OXFAM, were not yet providing the kind of financial assistance which has now become commonplace. The one outstanding exception to the above generalizations is the help of the Dutch Mennonites to their co-religionists in Brazil in the 1930’s. There, at the outset, the Mennonites from Holland provided funds which helped to build sawmills, flour mills, stores, a starch factory, a creamery, colony schools and a hospital.6

6Fretz, Pilgrims in Paraguay, p. 173.
The organizers of MEDA, therefore, had few models to follow in developing their newly-desired organization. In 1953 eight men took steps to form MEDA. The title, Mennonite Economic Development Associates, is an apt description of the intended purposes of the founders.7

It is interesting to note that of the eight men, who went on one or both of the two flying missions, only four ever became MEDA members. Herbert Schmidt, the prime mover in organizing the flying missions and in making known the needs for economic assistance in Paraguay, never joined MEDA. He decided rather to initiate a private venture in the form of an oil press to extract oil from peanuts and cottonseed in Colony Fernheim.

Criteria for MEDA Projects

The early members of MEDA were Christian men with considerable material means, all of them having known struggle and poverty in their earlier lives, but who by means of hard work and skillful business management had been able to accumulate considerable wealth. These men were all active church men and generous contributors to causes of mission, education, and relief. They were especially attracted to the calls for venture capital in Paraguay because they felt it was one area in which their gifts as businessmen could be effectively used to supplement the work of relief and missions. They were men who were willing to invest time, counsel, and generous amounts of money to help those who were willing to try to help themselves. Edgar Stoesz, on the staff of the Mennonite Central Committee, summed up the spirit and motive of the MEDA organizers when he characterized the late Orie O. Miller as follows:

"While Orie enjoyed a measure of wealth, he always saw it as a resource which freed him to serve others. He gave generously and refused to let the lure of money distract him."

What was said of Miller also characterized the spirit and motive of the other charter members of MEDA. These men were not ordinary businessmen looking for a place for profitable

7For the sake of historical accuracy and to avoid confusion it should be noted that there were two stages to MEDA organization. In 1953 the following eight men agreed to form such an organization: Ed. J. Peters, Wasco, California, chairman; Erie J. Sauder, Archbold, Ohio, Secretary; Edward G. Snyder, Preston, Ontario, Vice-Chairman; Ivan Miller, Corry, Pennsylvania; Orie O. Miller, Akron, Pennsylvania; Howard Yoder, Wooster, Ohio; C.A. DeFehr, Winnipeg, Manitoba; and Henry Martens of Reedley, California. The second stage was the legal incorporation which took place in Archbold, Ohio on July 26, 1954. Those signing the Articles of Incorporation were the first six men whose names appear above. DeFehr and Martens were absent at the incorporation meeting and did not sign the articles, but Sylvanus Lugbill and Ceaphus Schrock, both from Archbold, had become members and were present and signed the Articles of Incorporation.
investments. The loans they were prepared to make were in no way guaranteed. The money they advanced was venture capital which they had to be prepared to lose, and frequently did. Their willingness to risk loss was offset by their desire to help others get a new start. The stated purposes and guidelines of MEDA are given as follows:

1. To help people to help themselves by entering into partnership agreements, either as individuals or groups who are related to Mennonite churches or missions.

2. MEDA projects are intended to sustain and support the growth and life of the church in a broad way.

3. All projects are to be managed by the MEDA partners who receive the aid rather than those who provide it.

4. The initiative for projects is to come from local people rather than to be initiated by MEDA members.

5. Projects undertaken should have a high potential as an economically viable business venture including the repayment of the debt and a modest return on capital.

6. As far as possible, all MEDA projects should have a positive demonstration value in the community where the project is undertaken.

7. MEDA projects should not depend on expensive and imported sophisticated machinery or highly skilled personnel.

8. Recipients of MEDA help are expected to be members in good standing in local congregations.

The MEDA directors from the beginning served as a broad policy-making group as well as an administrative body. During the
first decade of MEDA's existence members of the executive committee tried to visit the various projects at least once a year. Since all of the projects for the first decade were in Paraguay, with the exception of one in Uruguay and one in Argentina, it was not too difficult for one or the other of the executive members to visit the projects annually. MEDA thus became an instrument of economic assistance under the flag of the church. Its members were motivated in the same way as the rest of the participants in the MCC service programs, such as those in relief, mental health, disaster service, PAX and voluntary service. They could very well have operated under the slogan of MCC, "In the Name of Christ."

That MEDA is a church-oriented organization is reflected in the fact that all MEDA members are expected to be members in good standing of a local congregation. Candidates for membership need to be proposed and supported by two existing members and voted upon favourably by the membership at large. This requirement is not to make it difficult for new candidates for membership, but rather to ensure that the applicants are seriously motivated and willing to share their load in carrying on the work of the organization. MEDA expects its members to have compassion for the people they are planning to help, dedication to its purpose, and a willingness to sacrifice time and money to promote the success of the aid program.

At the time MEDA was formally organized as an Ohio chartered corporation, provisions were made for the issuance of 250 common shares at $10 each and 1,000 preferred shares valued at $100 each. As a condition for membership each person was expected to buy ten preferred shares and five common shares. The original charter members went considerably beyond that and pledged a minimum of $5,000 each or a total initial capital fund of $50,000. This is evidence of the sincerity with which they viewed their undertaking. Five years after organization there were only 17 members who had made this commitment.

MEDA was sometimes characterized as a Mennonite elitist organization of wealthy businessmen. This characterization was unfair in view of the fact that membership was open to anyone who wished to make the minimum commitment which the organization called for. The fact is that out of the thousands of Mennonite business and professional people who could have afforded to join MEDA, most did not have the interest, motivation, or commitment to the high calling which membership in MEDA called for. Nevertheless, the membership slowly grew to 126 in 1971 and to over 208 by 1978.

8Archbold, Ohio was the home of Erie Sauder, MEDA's dynamic executive secretary, and a significant number of other MEDA members. Among them Olin Britsch, the long time treasurer of MEDA, has probably devoted more time voluntarily to MEDA than any other person except Erie Sauder.
This, then, is a brief summary of the story of how MEDA was born. Its central idea was simple, yet lofty. Its uniqueness was to recognize and use the gifts of financially successful businessmen in the church to help selected individuals in less economically developed countries to help themselves. The program, although modest in size, has hewn out a sound Christian philosophy of economic and spiritual assistance within the wider Mennonite fellowship. The MEDA program, at the time of its 25th anniversary, is operating on five continents spread over 25 countries throughout the world.
The First MEDA Projects

PARAGUAY

Sarona - Dairy Farm

The first project undertaken by MEDA anywhere was the establishment of a dairy farm in Fernheim Colony of Paraguay. This farm was given the name Sarona. A partnership was formed between MEDA and a number of Fernheim farmers interested in this venture. Robert Unruh, director of the Chaco experiment station, which is a cooperative venture supported by the three Chaco colonies and MCC, gave counsel to the Sarona project.

The reason why the Flying Missions' explorers and MEDA undertook this project was that native Paraguayan cows produced a pitifully small quantity of milk. It was not unusual for a full-grown cow after freshening not to produce more than two or three quarts of milk per day. In addition, it was difficult to milk cows by hand. Mennonite farmers in Russia had been used to high grade dairy cattle and were therefore discontented with the low milk yields of native Chaco cows. In addition, the Chaco Mennonite farmers needed every possible encouragement to increase their own food supply and produce a commodity that could be sold for cash.

To start a dairy farm in the Chaco first of all required the clearing of rugged bushland and the erection of simple farm buildings. The first step toward achieving their objective, after preparing the farm, was to import a high grade bull which was used to crossbreed with native cattle. This initial venture was highly successful, because already in the first offspring of the crossed cattle, milk production noticeably increased. It was not long before the crossed cattle produced as much as four or five gallons of milk per day, much to the satisfaction of the Sarona dairy partners and the farmers in the Chaco generally. Over the 25-year period milk production per cow in the Chaco has increased five to ten times over
its original production.

Two of the Chaco colonies today have a large co-operative creamery which provides a market for the farmers' milk, and each processes the dairy products into cheese, butter and yogurt. In addition to supplying the local market, these commodities are also exported to the capital city of Asuncion 250 miles away.

One of the interesting sidelines of the Sarona undertaking was the experiment with artificial insemination. Roy Snyder, a member of the MEDA executive and a veteran director of the Ontario Association of Animal Breeders, arranged to have a shipment of semen sent to Sarona. The shipment, sent in a tank of frozen liquid nitrogen, contained approximately 200 inseminations. At that time fertility could be held for up to three weeks. Improvements have since been made so that today up to 1,000 inseminations can be shipped and the semen held for up to six months without loss of fertility. The cost of a tank of liquid nitrogen is approximately $400 and the cost of semen for a single insemination ranges from $2 to $10.

This scientific method of cattle breeding was discontinued in Paraguay for various reasons, two of them being the lack of technicians and the lack of organization for carrying on such a program throughout the colonies. But the experiment demonstrated its possibilities for the future.

There are a number of beneficial by-products of this first MEDA project. In addition to greatly improving the milk and butter supply in the colony and the country, the grade of dairy cattle has steadily improved over the 25-year period. The offspring of the Sarona dairy cows have been in great demand by the farmers in the Chaco. The profitableness of dairy cows has resulted in farmers fencing in pasture land and sowing buffel grass which is adapted to the Chaco climate and the soil and is a nutritious cattle feed. Thus today the dairy cattle of most Chaco farmers do not run wild but are considerably domesticated.¹

Furthermore, the Chaco farmers have learned from Sarona some new methods of preserving cattle feed by means of trench silos in which sorghum corn and other legumes may be stored. This makes possible the rationing of the feed supply throughout the year, when it is necessary to continue feeding cattle if the milk supply is to hold up. It also provides cattle feed during dry seasons when the annual harvests are low. Farmers not only have learned to put up silage but also to bale hay so that milk cows can be kept in production during all seasons of the year. Today the economic base of many Chaco farmers is the dairying business.

¹Mennonite dairy farmers who had only native milk cows, in almost all cases, had to have calves prime the cows before they could milk them. This meant having a calf start the flow of milk, then remove the calf and milk by hand. This is no longer necessary with the introduction of imported and crossbred dairy cows.
Further evidence of the success of Sarona is the fact that the MEDA partners in Paraguay in 1972, eighteen years after the beginning, bought and paid for all the North America partners' shares and thus acquired complete ownership of the MEDA dairy. This was in line with the aims and policy of MEDA from the outset.

Of the hundreds of projects MEDA has undertaken no other has had such widespread economic consequences for community development as the Sarona dairy. It has been a model project in many ways. Its financial success per se is insignificant compared to the impact it has had on the agricultural economy and the life styles of Chaco farmers generally. Dairy farming has contributed to strengthening the family farm. It has resulted in an improved means of livelihood for the entire Chaco, indirectly if not directly. The production of dairy products such as cheese, butter, ice cream and yogurt, as well as pasteurized milk, has contributed greatly to the staple food supply of the Asuncion population as well as to the Paraguayan, Indian and Mennonite people in the Chaco.

As this book is being written, concrete plans are underway by the three Mennonite Colonies to upgrade the entire dairy industry. A World Development Bank loan of upwards of five million dollars is being processed jointly for use in improved production, processing, and marketing of the finished milk products in Paraguay and for foreign export. Little did the MEDA partners, who launched Sarona as an experiment in improved dairying, dream of the impact it would have on the national economy 25 years later.

Sinfin - Tannery

The second MEDA enterprise, begun in 1954, the same year as
Sarona, was a tannery, called Sinfin. This project was an outgrowth of a small privately owned tannery which lacked adequate capital and expertise to operate successfully. MEDA was asked for help and provided the necessary capital with which to erect a building and secure essential equipment for drying, tanning and splitting hides. Since 1954 Sinfin has provided a ready market for the hides of slaughtered Chaco cattle and at the same time provided a leather supply for local harness shops, the local shoe factory and for export.

This enterprise has had its ups and downs over the 25-year period. Sometimes it has had an inadequate supply of hides, and at other times its quality of tanning left something to be desired so far as the purchasers of leather for manufacturing purposes were concerned. Even today the tannery does not have machinery sophisticated enough to split the hides for the highest grade of leather. On one occasion Sinfin also suffered heavy losses due to flooding of its premises and equipment. In addition to tanning cattle hides, Sinfin also processes a large number of smaller animal skins brought in and sold by the Indians.

The Sinfin-Tannery building located in Colony Fernheim, Paraguay.

After much trial and error, management experience and improved equipment this enterprise promises to continue being a significant colony industry. The MEDA partners have gradually acquired a larger share of the ownership of the tannery and are in the process of completing its purchase.

Fortuna - Shoe Factory

In 1956 MEDA helped to establish a third project. It was a natural step to move from a tannery to a shoe factory. John and David Dyck, two brothers, who had been associated in the tannery,
formed separate partnerships with MEDA, David in the tannery and John in the shoe factory. Again MEDA provided the necessary capital, this time for the purchase of machinery to manufacture shoes and to erect a building. The tanned leather at first was used chiefly to manufacture working shoes. In the course of time ladies' and children's shoes as well as men's dress shoes were also manufactured.

Today between 600 and 650 pairs of shoes are manufactured per month in the Filadelfia factory. A large portion of the Chaco working shoes are manufactured in the Fortuna factory. The small industry employs from four to six workers.

In 1972 the Paraguay MEDA partner purchased the remaining shares owned by the North American partners and now owns this as an individual enterprise. This small business meets an important

MEDA members look over records with their Fortuna partner, John Dyck (right), in Filadelfia, Fernheim, Paraguay.

colony need. By far the largest portion of the shoes manufactured at Fortuna are sold directly from the several colony cooperative stores in the Chaco. Not only the Mennonite colonists purchase shoes here, but so do ranchers, Paraguayans, and Indians living in the Fernheim region. The factory also manufactures cowboy chaps, leggings, and motorcycle seats.

The factory owner has recently been to Germany and bought several highly sophisticated shoe manufacturing machines to update his production methods. This little industry has remained
almost static in terms of production over the last ten years. At the time of the writer's visit in December 1977, Dyck was substituting Argentine rubber for Sinfin leather in the manufacture of most of his shoes because he felt it was much more economical. The shoe factory, although small and under present management will probably not significantly expand, must be considered a successful undertaking. It has provided a living for the proprietor and for his five or six employees over the past two decades as well as rendered a useful service to an entire region in the Chaco. It has enabled the entrepreneur financially to support worthy causes in the church and community of which he is an active member.

Fundicion - Foundry

An ingenious, self-taught Mennonite colonist by the name of Jacob Loewen, who had come from Russia in the late forties, established a crude foundry on his farm in one of the Fernheim Colony villages. He built his own coke oven which he used to fire his homemade furnace to melt the scrap metal needed for casting his machine parts. Because of the shortage of metal in the Chaco he and his workers, in an effort to find needed raw material, scoured the Chaco-Bolivia war battlefields which were only several miles from the Fernheim Colony. Here they sometimes found shell casings which were usable in his foundry. The only other source of supply was in Asuncion. But even there scrap metal was scarce, as was mechanical equipment and machinery parts. Loewen was resourceful and ingenious enough to be able to manufacture many mechanical parts needed by colony farmers and industries, if he could only get the necessary raw materials.

It was because of Loewen's valuable and indispensable service to the colonies that MEDA was attracted to establishing a partnership. In 1956 MEDA and Loewen began their joint venture when funds were provided for machinery to exercise and expand his engineering skills.

In addition to casting parts for machinery, Loewen also began to manufacture horse-drawn cultivators and planters and other small farm equipment. With the capital advanced by MEDA it was possible for him to make a trip to Canada and to Germany to study foundry methods and to buy additional machinery and equipment suitable for his operations. A modest investment of $7,500 helped to establish this vital industry to the entire Chaco. Loewen, in the course of time, purchased the original MEDA share and continued the operation of the foundry as an individual enterprise. Besides providing a comfortable livelihood for himself and his family, the small business has played a vital role in the industrial life of the Chaco.

In some ways this small industry may seem relatively insignificant; however, like a key in one's pocket, the foundry has
played crucial roles in solving crisis situations in times of mechanical breakdowns of industrial machinery. Again and again a large colony industry would have been shut down and the community inconvenienced if it had not been for his small but highly important service of making necessary parts that were now here in stock and could not be bought. This was another illustration where a MEDA project demonstrated genuine mutual aid. The capital advance helped a man to earn a living for himself and
family, while at the same time exercising his natural talents. At the same time this self-help project provided employment for four or five men in addition to benefiting the entire community.

**Fabago - Bottling Plant**

In 1960 MEDA, through its Paraguay representative, Frank Wiens, the MCC director, entered into a partnership with Hans Kroeker, a resident of Filadelfia and an employee of the colony cooperative. Kroeker had assembled assets of approximately $1,700 and MEDA invested an additional $1,000 to provide the necessary capital for setting up a carbonated drinks bottling plant. A building was erected for processing and storage. Kroeker was employed on the basis of a commission of one guarani for each bottle of pop sold.

This partnership was the shortest one MEDA ever entered into. It was consummated in January 1961 and terminated in August of the same year. The brevity of the partnership is accounted for in part by the fact that MEDA, after consummating the contract, discovered that Kroeker, although a man with a good reputation, was not actually a member of a church. This fact was contrary to one of the basic MEDA policies. In addition, Kroeker found that the business operation was very profitable and he soon found other means of financing so that the support of MEDA was not needed. Thus ended the fifth MEDA partnership in Paraguay.

**Casuarina - Cattle Ranch**

In 1961 MEDA departed from its earlier precedence of entering partnerships with individuals in small enterprises. It decided to enter the cattle raising business and formed a partnership with fourteen other members by purchasing an existing cattle ranch south and west of the Neuland Colony. The existing ranch was called Casuarina, consisting of two leguas or about 10,000 acres of land. To this was added the purchase of four more leguas of 5,000 acres each for a total of approximately 30,000 acres. The Casuarina ranch was equipped with fencing, wells, water holes and two sets of buildings for residences, plus approximately 300 acres of cleared land. The plan was to clear an additional 300 acres, plant castor beans, cotton, peanuts and kafir corn. A small area was to be fenced in for breeding cows in order to improve the cattle herd. Some of the cleared land was to be devoted to improved pasture grass in order to fatten cattle nearly ready for slaughter.

MEDA was asked to invest $10,000 for fencing, land clearing, and the erection of sheds and other small buildings. The approximate value of the land in 1961 was $40,000. The asking price was in the neighbourhood of $2,000 per legua (5,000 acres) or about 40¢ per acre. Erie J. Sauder, the secretary-treasurer of MEDA and one of
the Casuarina shareholders, stated the purpose of the acquisition of these holdings in the following words:

In agreement with MCC, we felt that this land should be held only with the motive of both organizations—namely, that of helping in the name of Christ and not for any selfish purpose. The idea here was to give opportunity for the South American brethren to purchase and take over property as fast as they were able to do so.2

The MEDA members and the Casuarina partners were agreed to forming this partnership and a firm contract was drawn up. A ranch manager from Oklahoma was engaged at $50 per month plus a commission of 30 percent of the profits for the first three years.

The venture as a demonstration unit turned out not to be a success and in 1968 the cattle and machinery were sold and the land donated to the Indian Settlement Board for the express purpose of settling those Indians who wanted to farm on their own land.

There were several reasons generally advanced for the failure of the cattle ranching venture. There were a number of personal misfortunes combined with lack of communication and generally poor management.

The Paraguayan partners were repaid for their share of the investments out of the proceeds from the sale of cattle and machinery. The MEDA partners agreed to contribute their investments to the Indian Settlement Board.

2Personal interview with Erie Sauder, Stryker, Ohio, April 23, 1978. "South American brethren" in the quotation refers to Indian Christians who were pressing for land on which to establish family farms.
The land was given to the Indian Settlement Board on condition that they would charge the Indians approximately one-fourth of the market price of the land and the resulting funds, in turn, were to be used for community development purposes, such as building roads, schools, and clinics for the Indian communities. The plan of disposing of the land in this way was worked out over a two-year period largely between Erie Sauder and the Indian Settlement Board representatives.

This large project was not a colossal financial disaster but it turned out to be an extremely embarrassing effort at demonstrating modern mechanized farming and cattle ranching. It had been hoped that by means of the large scale use of machinery and by means of fencing pasture land and sowing grass seed, as well as producing other agricultural products, a higher grade of beef could be profitably produced. The idea for the project seemed feasible, the motives were noble, capital adequate—but the one essential ingredient, skillful management, was unfortunately lacking.

MEDA Projects in Colony Volendam

Up to this point all MEDA projects that have been discussed were located in the Fernheim Colony with the exception of Casuarina which, however, is still in the Paraguayan Chaco. The next projects to be discussed were undertaken in Volendam, in East Paraguay, a colony founded in 1947 and settled entirely by refugees who escaped from Russia and were transported as displaced persons to Paraguay. Volendam is located along the Paraguay River 70 miles north of Asuncion and approximately 15 miles west of colony Friesland, which was established in 1937.

Hopes for a successful colony were extremely high in Volendam and among MCC personnel who helped in the establishment of the colony in its early days. The reasons for these high hopes were that it was in a more favorable proximity to markets, had access to river transportation, enjoyed a less severe climate and had greater rainfall than did the colonies in the Chaco. It turned out, however, that this colony experienced severe economic reverses and repeated crises in leadership during its first two decades of existence.

Many of the colonists were not farmers and at first resisted the idea of clearing their land and putting it into agricultural production. Many of the family heads found it possible to earn a meagre living by selling cut timber and hauling it to the Paraguay River for shipment to Argentina. When this market suddenly disappeared, the Paraguay colony fell upon difficult days. One of the colony leaders in the mid-fifties estimated that the average annual cash income of the colony farmers was not over $125. At one point only five farmers in the colony produced 75 percent of its total
agricultural production. Thus morale in the colony in the middle fifties and early sixties was extremely low. Population declined from a high of 1,800 in 1950 to 1,000 in 1960. As many as could migrated to Canada, some moved to Brazil, others to Germany and still others established themselves in Asuncion.

**Almeda Dairy Farm**

It was for these reasons that MEDA decided to try to provide some measures of economic assistance. The first project undertaken in Volendam in 1958 was a dairy farm, intended to be a rough duplication of the Sarona project which succeeded so well in the Chaco. Almeda, in contrast, turned out to be highly unsuccessful. MEDA had not succeeded in finding project partners who were seriously interested in the venture and who were determined to make it succeed. Before the project really got well under way one of the partners withdrew and moved to Canada, a second partner died, and the replacement for one of these two partners later withdrew and moved to Germany. Even though land had been bought and cleared and buildings erected the venture never had a real chance to succeed. A major reason was the colony’s failure to establish a creamery, which had been the plan when Almeda was first conceived.

After several years of futile effort to put the farm on a sound basis, MEDA decided to terminate the project and liquidate its assets. For a number of years the land was rented, then in 1973 the Volendam Colony purchased the farm with the intention of establishing an experimental farm on the pattern of the one in the Chaco. Thus ended, in disappointment, the first effort at providing assistance to the Mennonites in Volendam at a point when help was badly needed. What worked out beautifully in one Mennonite colony ended in utter failure in another. It should be stated that there was no financial loss when all assets were liquidated; however, MEDA had not helped the colony.

**Mbopicua Rice Plantation (pronounced bo-bi-qua)**

As stated above, morale in Volendam was at an exceedingly low point in the late fifties and early sixties. Because of the shrinking population and the severe economic problems many inside and outside the colony wondered whether it could survive. It was at this point in the colony’s history that MEDA again responded to the call for help. Serious considerations were given to various ways of helping this sick patient. After careful investigation by Frank Wiens, the director of the MCC program in Paraguay and the MEDA representative, and members of the MEDA Executive Committee and Volendam Colony leaders, it was decided that agricultural resources needed to be developed in order to provide a
solid economic base and hope for its future.

A group of Volendam farmers had previously attempted to grow rice collectively on some of the colony's lowlands. Partly because of the lack of rice-growing experience by any of the farmers, and partly because of inadequate capital, their efforts were unsuccessful. None of the 40 MEDA members at this particular point had any rice-growing experience either. Nevertheless, rice-growing seemed like a venture with good economic potential in view of the proximity of the lowlands to the Paraguay River and the possibility of irrigation.

MEDA saw a second possibility of assisting Volendam by growing corn. In order to do this, land had to be cleared from jungle-like trees, vines and heavy underbrush. The rice land, on the other hand, had already been cleared, so it was decided to start with rice. A partnership was formed with a group of Volendam farmers, hopefully to inject new life and vigor into the colony and an old agricultural project.

Had anyone been able to foresee the difficulties that were to be encountered, this project definitely would not have been undertaken. No one in the Volendam Colony, individually or collectively, had the necessary capital to level the land, make irrigation ditches, and buy pumps, motors and other equipment required to set up an irrigation rice farm. It was for this reason that MEDA decided to try to assist on this huge project, although this was contrary to their general philosophy, policy and practice.

MEDA entered the rice-growing business in an effort to see whether the entire project and previous investment for the Volendam farmers could be salvaged. It should be said that the decision on the part of the MEDA executives was not a unanimous one. A strong minority of MEDA members felt that since no one among them was familiar with rice farming, since the distance from North America made careful supervision difficult and expensive, and since the Volendam farmers had not been successful, this was an unwise decision. They felt the chances of MEDA contributing to the solution of the colony's economic problems would likely be very small. Nevertheless, the decision having been made, MEDA decided to tackle the problem with vigor.

The first major decision was to engage Vern Buller, a Montana farmer, who had had considerable experience in Paraguay from 1954 to 1956 in assisting in the building of roads in the Chaco. By 1960 Buller strongly felt the call of God to return to Paraguay with his family to reside there permanently. He offered himself to MEDA to assist in the construction of the irrigation ditches of the almost 1,000-acre rice-growing project. MEDA with its Volendam partners engaged Buller and ordered a large amount of equipment. Included was a used dragline purchased in Iowa and shipped to Volendam. Ordinary tractors were unsuited to do ditching during wet weather.
Diesel engines and turbine pumps had to be purchased, houses had to be built for employees, and storage for anticipated rice crops had to be erected. All of these investments rapidly mounted so that the total number of dollars invested in the Mbopicua rice project eventually amounted to between $100,000 and $125,000.

It was assumed that rice-growing would be successful eventually because water could be pumped directly from the Paraguay River, which the colony land bordered. And it was assumed that in case of unusually wet seasons the land could be drained to the river because its elevation was considerably above the river’s banks. Over the years of the project’s existence only one good crop was harvested. In other years crops were only partially successful. When the yields were good the quality of the rice was inferior. In addition, there were interpersonal difficulties that resulted in both a lack of communication between Buller and the Paraguay partners and the consequent lack of cooperation.

MEDA sought the services of Arthur Loewer, a rice grower from Louisiana, a committed Christian and intensely interested in MEDA. He would have been willing to supervise the project at least for a temporary period. Unfortunately his willingness to assist was not accepted due to opposition by some MEDA members. Every effort was made to find solutions to ever-recurring problems. Numerous trips by MEDA members from North America and the expenditure of thousands of dollars in an effort to salvage the project were all unsuccessful.

In a final effort to prevent failure MEDA agreed to sell its share of the assets to two of the more intensely interested MEDA
members far below cost with the intention of operating the project as a private enterprise. It was named Paraguay Farms Inc. Al Jungas, Mountain Lake, Minnesota and Don Liechty from Archbold, Ohio, along with Bill Rupp and Leslie Nafziger from Archbold, Ohio constituted the members of Paraguay Farms Inc. Rupp and Nafziger with their wives moved to Paraguay in January of 1968 to manage the rice farm.

The partners invested additional funds and energy in the project. They had budgeted $30,000 to spend on getting machinery and equipment into working condition but actually spent $70,000. The young men had formerly served in Paraguay in voluntary service. One of the men had married a Mennonite girl from Paraguay. Buller returned to Montana and the Ohio men assumed responsibility for directing the project. A year later at the MEDA annual meeting Jungas and Liechty reported that they had 175 acres of rice under cultivation but that the project was too big for the two men to finance.

Literally speaking, the death blow to the project was the sudden death of Al Jungas. This was followed by the withdrawal of Leslie Nafziger from the project leaving only Bill Rupp on the field and Liechty in Ohio to carry the heavy load. The burden was too heavy and this mutual aid effort ended in failure. The Mbopicua rice venture was liquidated in 1971.

In addition to the disappointing crops, the expensive breakdowns in machinery, and the low quality of rice produced, there were problems of inadequate storage and drying of the crops plus highly fluctuating markets. All in all the venture seemed doomed to fail. The project which began in 1960 terminated in 1971. The land which had been leased from Volendam reverted to the colony and the machinery, buildings and equipment were sold. Both MEDA and those engaged in the private rescue operation sustained heavy losses.

There is little evidence that this expensive mutual aid effort produced any positive results. Certainly there were no satisfactions for the North American partners and no visible benefits to the Volendam Colony, for whom the project was undertaken. Probably the one significant value of this undertaking was the sobering lesson it taught MEDA members as to their limitations as a rescue organization for large business enterprises in financial difficulties. The swampy lowlands which MEDA tried to develop turned out to be symbolic of the swampy economic enterprise that had been reluctantly but seriously undertaken in an effort to help brothers in need. This costly failure demonstrated the sincerity of MEDA to be helpful even at great sacrifice of time, money and health.
A third MEDA project undertaken in Volendam was a short-term farm credit production program. This form of assistance to Volendam farmers came about because of the availability of Lloyd J. Fisher, an MCC volunteer who had experience working for Production Credit Association in the state of Oregon. The project met a crucial need for Volendam farmers and would have been highly welcomed in all other Mennonite colonies in Paraguay since credit was extremely difficult to secure.

In Paraguay no government financial assistance programs were available. Only banks and private individuals provided credit, and that only at an excessively high rate of interest. The MEDA-Finor program provided for the careful selection of borrowers based on their ability to repay. Once selected the plan provided for careful supervision of the use and repayment of the loans. The program began in 1961 and terminated in 1973. At the conclusion of the service only three farm loans had not been repaid. This was an experiment so far as MEDA was concerned. Its success was related directly to the skill with which it was organized and managed. The pressing needs for farm loans was illustrated by the fact that the program, initiated in 1961, processed a total of 174 loans by 1962. Sometimes an individual made two or more loans within the course of a single year for different purposes. The following lists of loans and purposes suggest the diversity of needs that were to be met in this important MEDA program.

<table>
<thead>
<tr>
<th>No. of Loans</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>49</td>
<td>Bush clearing</td>
</tr>
<tr>
<td>27</td>
<td>Stump clearing</td>
</tr>
<tr>
<td>19</td>
<td>Purchase of Hollander cattle</td>
</tr>
<tr>
<td>14</td>
<td>Corn harvesting</td>
</tr>
<tr>
<td>12</td>
<td>Farm purchases</td>
</tr>
<tr>
<td>8</td>
<td>Macheteing land</td>
</tr>
<tr>
<td>6</td>
<td>Fence building</td>
</tr>
<tr>
<td></td>
<td><strong>135</strong></td>
</tr>
</tbody>
</table>

In addition to the above uses of the loans were planting crops, wagon purchases, well-digging, debt repayment, horse-purchasing, hiring labour, a new corn sheller, a new disc purchase, bees and equipment, harness purchases, hoeing, a brush-cutting machine, and feed purchases. The first 174 loans were covered by an investment of approximately $13,000. This was increased by $3,000 of revolving capital within the MEDA-Finor project. The original $13,000 became available from repayment of shares in other Paraguay MEDA projects. What seems like a very small sum of
money nevertheless helped very greatly to enable a large number of the colony farmers to improve their agricultural practices and thus improve their general economic position and their morale.

The MEDA-Finor program in Volendam was a very successful undertaking. This was a welcome contrast to the unsuccessful ventures of the Alameda dairy farm and the Mbopicua rice plantation. Unfortunately MEDA was unable, due to lack of financial resources, to establish such badly needed agricultural services in other Mennonite colonies where demands for loans were equally great. There is no bank, savings and loan association, or credit union in any of the Mennonite colonies which exists for the purpose of depositing savings and making loans to colonists. This successful effort in making credit available to farmers encouraged MEDA to initiate and expand this service in other countries.

ARGENTINA
La Esperanza - Chicken Hatchery

In 1963 a request came to MEDA from Delbert Erb, a missionary under the Mennonite Board of Missions and Charities of Elkhart, Indiana, for a loan. The purpose of the loan was to expand a hatchery and poultry producing project which Erb had introduced in Argentina in the late 1950’s in an effort to provide work for members of the Bragado Mennonite Church, and to assist Argentine pastors with a measure of self-support. The hatchery and broiler business was established on mission property. MEDA responded by stating that it did not wish to make a loan, but that it would be willing to enter into a partnership with Erb. MEDA representatives visited Bragado and a partnership named La Esperanza was formed with MEDA providing $10,000 capital.

For several years the project operated profitably. In 1965 management recommended the purchase of a larger and more modern incubator in order to meet the growing demand for eggs and poultry. A series of reverses contributed to a crisis with Esperanza. In 1967 a fire destroyed the breeding flock, in 1968 a depression hit the poultry market, and in 1969 an outbreak of a poultry disease placed the entire project in a severe financial hardship.

In 1970 MEDA members, along with their Argentina partners, met in Bragado to review in detail the entire chicken hatchery operation. They decided that in order to operate successfully it would be necessary to invest additional capital and employ full-time management. A decision was reached to terminate the project rather than attempt expansion and ongoing effort at successful operation. The La Esperanza venture cannot be called successful, nor dare one conclude that it was a total failure. Its seven-year operation provided valuable experience in the process of becoming
self-supporting lay missionaries. It provided jobs for a number of ministers and it gave a large number of families in the Bragado community a chance to get into poultry production on a small scale as a means of supplementing family income.

URUGUAY

Creamery

There are three substantial Mennonite settlements in Uruguay plus two congregations in the city of Montevideo. The first Mennonites to settle in that country were a group of refugees from West Prussia who were displaced from their homes in the Danzig region by the Russian army toward the end of World War II. As German citizens these refugees were not permitted immediately after the war to enter Canada or the United States. They preferred not to settle in South America, but as a last resort expressed a willingness to go to eastern Paraguay on a site near the colonies of Friesland and Volendam. However, almost by accident, Nelson Litwiller and Martin Durksen, two Mennonite missionaries in Argentina who had been authorized by MCC to explore colonization possibilities, found the country of Uruguay open to these immigrants.

Due to the unstinting efforts of Carlos Gattinoni, pastor of the Central Methodist Church in Montevideo and a friend of influential Paraguayan government officials, arrangements were made on short notice for the first 690 Danzigers and 60 Mennonites from Poland to settle in Uruguay. The MCC, with the help of the Uruguayan Institute of Colonization, was able to buy a 2,900-acre ranch known as El Ombu, located about 180 miles northwest of Montevideo. This tract was divided into 75 homesteads of varying sizes. Only about half of the total group could be accommodated on this plot of land so the rest temporarily took jobs wherever they could find them, largely in the vicinity of Montevideo.

In 1951 the second settlement at Gartenthal, 45 miles from El Ombu, was made on a 4,500-acre plot. This was divided into 139 homesteads of varying sizes, of which 100 were assigned to the newly arrived settlers and the rest to those who had come in 1948 but for whom there was no place in the El Ombu settlement.

In order to assist the Prussian Mennonite refugees in migrating, the MCC had taken leadership in forming a subsidiary non-profit corporation which came to be known as Uruguay Settlement Associates. This Association raised a sum of $65,000 in the form of loans at a low rate of interest or at no interest at all.

This organization was composed largely of Mennonites from other communities in Kansas and Nebraska, where large settlements of Prussian Mennonites had migrated in the late 19th century. Many were distantly related, since their elders had come from the same Prussian areas.
The foregoing historic detail is relevant to the MEDA story because it accounts for the source of credit on which the Uruguay creamery was established. Early in 1960 the officers of Uruguay Settlement Associates (identified further as USA) felt that if the resettlement debt were ever to be repaid, additional assistance would have to be given to provide economic development for the newly established colonists. It was in this connection that the USA executives met with MEDA executives to discuss possibilities for merging the two organizations and thus provide the structure for economic aid to the Uruguay agricultural colonies. In 1961 USA and MEDA had separate meetings and both agreed to a plan of merging. The plan was as follows:

1. The MEDA preferred stock certificates would be exchanged for USA certificates of indebtedness.
2. All USA certificates would be exchanged for MEDA stock on the basis of $1 U.S. from each organization.
3. Where special hardship cases prevailed MEDA agreed to redeem the stock as the certificates were paid off by the Gartenthal colony.
4. Provision was made for Uruguay Settlement Associates representatives to be placed on the MEDA board of directors.
5. All money received from Gartenthal debt repayment not subject to hardship cases would be reinvested in the Uruguay economic development project.

It might appear that the plan worked out as an even exchange of dollar for dollar. Actually the pay-out amounted to something like four cents on the dollar as a result of excessive inflation between 1965 and 1975. A few estate claims were paid out privately but it is assumed that few if any claims will be made in the future if MEDA shares fall into estates for settlement. Those holding MEDA shares are encouraged to donate them to MCC.

The project undertaken by MEDA and the Mennonite farmers in the El Ombu and Gartenthal colonies was the establishment of a creamery. The Mennonite farmers felt that a market for dairy products would be the most viable form of economic assistance since the dairy industry in Montevideo seemed to have a promising future. The project over the years has had many ups and downs. Many times it was doubtful whether the project could be successfully launched. After it was launched it often seemed as though it could not function successfully because of the many obstacles that arose to block progress. The project was limited in adequate financing, but an even more severe problem was the economic and political instability of the government of Uruguay and its negative impact on the MEDA project.

During the 1960’s many small creameries in Kansas either went out of business or sold to larger creameries. One such creamery at Hillsboro, Kansas merged with a larger co-operative. As a result of
these changes some good equipment became available and was purchased by MEDA and sent to Uruguay.

Herman Bikkel of Hillsboro, former president of the Hillsboro Co-operative Creamery, went to Uruguay on a two-year voluntary service basis to assist in the construction and initial operation of the newly established creamery. It turned out that some of the equipment was not as serviceable as it was assumed it would be when purchased.

One of the long-time irritants of the project was the unwillingness of the Uruguay port authorities to clear the creamery equipment without heavy import duties. Clearance for this equipment could have been secured quickly if MEDA would have been willing to pay bribes to the port authorities which neither Herman Nikkel or MEDA were willing to do. After about one year of persistent negotiations Nikkel finally succeeded in getting the equipment out of port providing the creamery would be formed as a cooperative. The one essential piece of equipment, namely the large boiler, was not released. It is still lying in the weeds on the port front badly rusted. MEDA had a new boiler made in Montevideo rather than pay bribes, but the new boiler was quite inferior to the one imported but unavailable.

It is pleasant to be able to report, however, that as of December, 1977, when the president of MEDA, Milo D. Shantz from St. Jacobs, Ontario, Lloyd Fisher, the executive director of MEDA from Akron, Pennsylvania, and the writer visited the creamery, that a note of optimism and even prosperity was in the air. MEDA alone cannot take credit for all of the growth and successful development of the cooperative because very significant amounts of assistance

The Farmer's Cooperative Creamery at Young, Uruguay.
in the form of cash and modern creamery equipment were secured in grants from Germany.

The creamery, located at Young, Uruguay between El Ombu and Gartenthal colonies, is about 250 miles northwest of Montevideo. In 1977, sixty-two Mennonite farmers owned the cooperative creamery. In addition there were approximately 150 Uruguay farmers also producing and selling milk to the creamery. A variety of high grade cheeses, butter, yogurt and fresh milk was produced. Fresh milk was sold only in local towns, but the cheese, butter, and yogurt was sold in Montevideo, and some cheese was exported to Brazil.

Future plans include a $70,000 expansion of the present building for purposes of additional cold storage and equipment. Milk production and demand fluctuates throughout the year. Therefore the need for cold storage facilities for cheese and butter during heavy producing months will ensure a steady supply of products throughout the year. The creamery is now operating one shift per day and has a capacity of 25,000 litres per day. With additional capacities the creamery could operate two shifts per day. The supply of milk is greater than is the capacity to handle it. The co-op is raising some of its own finances by withholding one penny per litre of milk produced in order to make necessary local improvements and purchase new equipment.

The Uruguay creamery must be considered one of the successful projects with which MEDA has been associated. It illustrates cooperation among at least six different agencies. Uruguay Associates raised funds necessary to purchase land and establish the immigrant refugees on it. The MCC took the initiative to organize Uruguay immigrants and assist in their transportation. The Uruguay farmers organized the cooperative creamery to serve as the single agency representing the Uruguay Mennonite farmers. MEDA undertook the task of providing some of the necessary assistance to finance and to process the organization of the creamery. Assistance agencies from Germany provided funds and modern machinery to make efficient operation of the creamery possible. Finally, the Government of Uruguay made it possible for foreign funds and mechanical equipment to be imported, with or without import duties.

MEDA’s greatest help in the Uruguay project may have been the persistence of the MEDA Uruguay Committee Chairman, Lyle Yost, from Hesston, Kansas, whose patience, business experience and skill brought the project to fruition. Without Yost’s many trips to Uruguay, without his frequent encouragement to the MEDA and Uruguay creamery partners, and without his timely insight into the financial tangles of both country and project, the creamery would not have come to its present state of development.

We were told repeatedly at the time of our visit in 1977 by the
directors of the creamery that the creamery is the economic life-blood of the two colonies. Practically all farmers depend on income from the sale of milk for their main livelihood.

Projects Considered but not Adopted

In concluding this chapter on assistance granted by MEDA to projects among the Mennonites in South America it should be said that only a select few among the many requests for help could be granted. Among the many that were applied for and considered but not granted were beekeeping, a feed mill, a slaughterhouse, a meat market, a tailor shop, a grocery store in Asuncion, a tinshop, an ice plant, and a production credit service in Friesland.

Requests for projects such as these, while worthy in themselves, could not be granted because of limited finances and personnel for supervision. The many requests merely underlined the fact that MEDA had entered a field of assistance in which there was genuine need, and to the extent that its efforts were successful, it contributed to the development of the newly established settlements in what was for Mennonites an attempt to establish permanent homes in strange new lands and unfamiliar cultures.

In this chapter, in which the first series of MEDA projects among Mennonites in South America were described, it has been said that the most exciting as well as successful of the MEDA ventures were those among the Indians in the vicinity of the three Chaco Mennonite colonies. That story is so unique and so significant that it is being told separately in the following chapter.
Small numbers of the Lenguá and Chulupi Indian tribes were in the Chaco when the Mennonite settlers from Canada and Russia arrived. The Mennonite settlements proved a blessing to the Indians in that they provided work, and thus a source of food and elemental clothing, a change from a nomadic existence to stability of location, and a gradual shift into permanent agriculture and wage labour. Indians, in turn, provided a source of labour to the Mennonites to help clear the land, till the soil and harvest cotton crops.

Over the past half century the Indian population has steadily kept growing by the influx to the Chaco of tribal Indians other than the original Lenguás and Chulupis such as the Guaraní, the Senapena, the Toba, and, more recently, the Moros. The second source of growth has been by the natural increase of births over deaths. At the end of 1977 the Chaco Indian population was approximately equal to the total Mennonite population.

Mission Beginnings

The Fernheim Mennonites under the leadership of Gerhard Giesbrecht established the first mission station at Yalva Sanga, about 25 miles southeast of Filadelfia in 1936. From the beginning efforts were made to establish schools and develop agriculture among the Indian converts. This was of necessity done gradually and on a small scale because of limited financial resources and available trained personnel. The philosophy of missions at the time placed predominate emphasis on religious conversion rather than economic and social improvement. Although improved hygiene and agricultural development were encouraged, concern for economic assistance in the form of monetary loans to establish Indians in self-supporting businesses were not considered a mission mandate.
The person to whom most credit is due for involving MEDA with the Chaco Indians is Erie J. Sauder of Archbold, Ohio, the executive secretary of MEDA from the beginning and later also the chairman of the Paraguay Committee. He was interested in helping the Chaco Indians economically almost from the beginning of his interest in MEDA. He had a yearning to help the more gifted Indians to establish small businesses such as woodworking and repair shops. In fact, he invested private funds in such ventures before MEDA was willing and able to do so. Later, when MEDA invested funds in Yalva Sanga, the oldest and largest of the Indian settlements, Sauder was among the first to urge that management of the projects be turned over to Indians after a period of supervision and training by one of the colony’s skilled craftsmen. He also urged that the task of bookkeeping for the projects be transferred to the Indians, whom he believed capable of doing the job. It was Erie Sauder’s conviction that it was MEDA’s responsibility to teach the Indians how to use credit wisely as well as to make it available to them.

**Teaching Indians Business Methods**

The experience of MEDA with the Chaco Indians is an excellent example of people from contrasting cultures trying to help each other and learning from each other. The earliest Mennonite efforts to help the Indians was in the traditional mode of the party in the privileged position rendering services for the people being helped. In this case the Chaco Mennonites were doing things for the Indians. Decision-making was not mutual. It was assumed that the Indians had no education, no experience, no familiarity with either technological methods or modern business methods, and therefore no basis for participation in decision-making and hence little or no significant contribution to make. In 1969, when MEDA entered the Indian settlement economic process by furnishing capital, some interesting changes in business practices began to take place.

When MEDA decided to invest $9,000 in Indian projects, the money was advanced directly to the Indian Settlement Board instead of to the committee of colony Oberschultzes as had been the practice previously. Erie Sauder insisted on making the Indians directly responsible for their financial obligations. He argued that to clear loans and transactions first through the Oberschultze Committee was demeaning. MEDA decided to form a partnership with the Indians and thus enter into direct negotiations with the Indians. The decision was unanimously supported by the Oberschultzes who were glad to see the Indians take this step forward.

At the first meeting of MEDA representatives at the Fernheim Indian Settlement, where North American and Chaco MCC and
missionaries were present along with four Chulupi and four Lengua Indians, interesting questions were raised by the representatives. Five languages were necessary to carry on business—two Indian dialects (the Chulupi and Lengua), German, Spanish and English. This is no longer the case. In 1977 only English and Spanish were used and English was necessary only for the North American MEDA representative who did not understand Spanish. Indians and Mennonites can now carry on negotiations in the Spanish language.

At the 1969 meeting the Indians were getting their first formal instructions on the theory of capitalistic economics. "What is the difference between a gift and a loan?" asked the Indians. It was explained and the Indians said they understood. They were told that a loan was a mutual working together, of one brother helping another. The person receiving the loan must assume responsibility for repaying the loan even if it is difficult. "What if a person has a crop failure and can’t repay his loan?" asked another Indian. MEDA, the loaning partner, will have to have patience and understanding. "What is the meaning of such words as: 'security,' 'guarantee,' and 'down payment'?" It was gratifying to all parties concerned to experience this mutual sharing and foundation-building for economic growth, and to note the development of self-reliance and self-respect among the Indians.

The $9,000 initial investment of MEDA was divided among three local Indian settlement committees in the form of $3,000 advances. The Indian committees were made responsible for deciding who in their agricultural villages would receive credit and in what amounts. It was understood that the initial $3,000 was an experiment. If this was successfully handled, additional funds would be available. If not, the aid would be discontinued. Indians were encouraged to make as many of their needed items as possible and to do buying and selling in their own cooperative store.

Already in 1968 the Indians in the Fernheim Colony produced one-fourth of the entire cotton crop in addition to a substantial amount of beans and castor beans, thus having considerable potential cash income of their own. The Indians had, however, never learned the meaning and the method of using credit. The Mennonite colony cooperatives' system of debiting and crediting all transactions at the co-op stores had not given people personal experience in decision-making with regard to the handling of cash or credit.

**Developing Community**

The Mennonites have served as living models for the Indians in every imaginable way. About one-fourth of the Indian families have been converted to Christianity as per the Mennonite value system. The Indians have adopted the agricultural village
settlement pattern. They have erected simple adobe brick houses, adopted the basic clothing styles of the Mennonites and are being taught appropriate cooking and nutrition practices. The Indians have emulated Mennonite farming practices and are learning many of the crafts and skills by apprenticeship such as carpentry, brick-laying, and mechanics. Some are serving their own communities as school teachers and practical nurses.

An Indian hut (above) commonly used by Chaco Indians when MEDA began its program in Paraguay. Modern dwelling (below) now used by Indians in the Paraguayan Chaco.

Through the Indian Settlement Board (a body of 47 members representing the three Mennonite colonies), the mission and welfare groups, the five Indian agricultural settlements, and four
labour settlement districts, a type of informal Indian self-government is slowly being developed.

The table on the following page provides a succinct overall summary of information about the Chaco Indian population and its agricultural economic characteristics.

Development Based on Education

Community development among the Chaco Indians has been greatly aided by the introduction of the Christian faith and its enabling power to change lives. Missions in turn have led to elementary schools which make it possible to communicate meaningfully in speech and in writing. The adoption of elemental rules of health, sanitation and diet have raised the life expectancy of Indians, and the example of hard work by which Mennonites earn their living has taught Indians how to cooperate with nature in order to become more economically self-sufficient. All of these forms of sharing information, knowledge and skills have laid the foundation on which to build a credit program with the Indians of the Chaco.

Of the 10,000 Indians in the Central Chaco about 5,000 are newly settled on small farms. They, like their Mennonite models, live in agricultural villages. They did not grow up on farms and hence learned nothing about agriculture from their parents. Like children attending the first grade of school who must be taught the basics of education, so these newly established Indian farmers must learn the elements of agriculture.

The ISB technicians must teach them how to plow and prepare the soil, when to plant seed and when to cultivate and harvest; they must teach them how to cooperate with changes in the weather and the seasons in order to grow crops most efficiently; they must be shown how to care for horses and cattle, how to preserve feed for cattle and food for humans so that the available supply lasts throughout the year. They must be instructed how to manage labour and use tools most effectively, and finally, they must be taught the secret of money management. This is itself one of the complex yet important aspects of the new culture they are learning.

The Indian farmer must learn when it is important to work at home on one’s own farm and when to work out for wages. He must develop judgment as to the wise and unwise spending of money. When and for what purpose is it wise to borrow money? When one is a farm owner and needs to hire help, how much does he pay his worker? Does he owe wages to the workers if they become ill while working for him? The technicians and their assistants, like the elementary school teachers, must answer hundreds of questions like this. The Chaco Indians are by no means unintelligent, but it
requires abundant energy and endless patience to help a people to jump from primitivity to modern civilization in a single generation. A culture is a complex accumulation of centuries of man’s creation. It consists of the invisible world of ideas, beliefs, traditions and values as well as the material world of inventions.

**Chaco Indian Settlement Data**

<table>
<thead>
<tr>
<th>Year Established</th>
<th>Yalva Sanga</th>
<th>La Esperanza</th>
<th>Campo Largo</th>
<th>Campo Alegre</th>
<th>Pozo Amarillo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,405</td>
<td>680</td>
<td>510</td>
<td>981</td>
<td>763</td>
<td>5,344</td>
</tr>
<tr>
<td>Villages</td>
<td>15</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>6</td>
<td>34</td>
</tr>
<tr>
<td>Farms</td>
<td>395</td>
<td>78</td>
<td>76</td>
<td>140</td>
<td>125</td>
<td>770</td>
</tr>
<tr>
<td>No. of schools</td>
<td>12</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>No. teachers</td>
<td>13</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>No. students</td>
<td>400</td>
<td>56</td>
<td>90</td>
<td>155</td>
<td>101</td>
<td>802</td>
</tr>
<tr>
<td>No. cattle</td>
<td>511</td>
<td>134</td>
<td>120</td>
<td>351</td>
<td>139</td>
<td>1,255</td>
</tr>
<tr>
<td>No. horses</td>
<td>686</td>
<td>166</td>
<td>110</td>
<td>303</td>
<td>289</td>
<td>1,563</td>
</tr>
<tr>
<td>Land Area (acres)</td>
<td>39,012</td>
<td>8,872</td>
<td>10,368</td>
<td>43,392</td>
<td>16,310</td>
<td>117,955</td>
</tr>
<tr>
<td>Land under cultivation (acres)</td>
<td>5,280</td>
<td>600</td>
<td>600</td>
<td>1,824</td>
<td>708</td>
<td>9,012</td>
</tr>
<tr>
<td>Avge. cultivated land per farm (acres)</td>
<td>13.4</td>
<td>10.8</td>
<td>7.9</td>
<td>15.12</td>
<td>10.8</td>
<td>11.7</td>
</tr>
</tbody>
</table>

The community development program among the Indians in the Paraguayan Chaco must be one of the more successful efforts in Third World development on record. This writer considers it worthy of study and emulation. The low cost in comparison to goals achieved is positively impressive. It is an illustration of region-wide cooperation in the use of human resources according to specialties of gifts. Natural resources, based on a half century of trial and error in agriculture, and both native and foreign expertise in business and industry management skills are integrated, and the careful use of imported funds for the purpose of implementing various projects is being demonstrated. The Indian Settlement Board is composed of inter-agency representatives who cooperate with each other. Above all, the agency is discovering what its primary purpose for existence is, namely to help the Indians spiritually, socially, economically and culturally. They are native to Paraguay while Mennonites are relatively recent immigrants. Nevertheless, the Indians could not and would not have been able to eke out an existence in this area of the Chaco without help from the

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1Data from the 1975 and 1976 Annual Report of the ISB Executive Teams.
Mennonites in the Chaco and the North American and European public and private service agencies.

In telling the story of what MEDA has contributed to the development of Chaco Indian life and culture it must be emphasized that MEDA is only one of the important contributing agencies. The Mennonite Central Committee has been a constant and powerful source of material aid, the means of technical assistance and a myriad of forms of consistent brotherly aid and spiritual encouragement for fifty years. On frequent occasions when its own resources were too limited, it was nevertheless able to serve as an intermediary agent to negotiate valuable assistance from Canadian and United States government service agencies, from non-Mennonite interdenominational voluntary organizations and even private Mennonite foundations like the Schowalter and the Hesston Foundations. The combined effect of all these efforts has accounted for the positive experience in habilitating thousands of Indians almost from an economic and cultural zero point. This was being done at the same time that most of the Mennonites were themselves trying to become economically and culturally established.

Skillful Supervisors

It is largely due to outside financial sources that the high level of technically trained personnel can be engaged in the dynamic Chaco development program. Of equal importance to the outside funds is the deep sense of commitment of the highly trained personnel to Indian development. All of the employees are relatively young, in their thirties or younger. A look at the profiles of the community development technicians will be worthwhile.

Wilmar Stahl, a native Fernheim son, graduated from the local Central School, attended the Mennonite Seminary in Montevideo, took a B.A. degree in Sociology from Goshen College in Indiana, and an M.A. degree in anthropology from the University of Syracuse in New York State. Upon graduation from Syracuse he began working for the Indian Settlement Board (ISB) with responsibilities for promotion of Indian social organization, adult education, youth organization and leadership training among the various Indian settlements. In 1975 he was asked to devote one-half time to directing the technical team consisting of six members.

A second member of the team, Hans Epp, also a Fernheim boy, completed his medical studies at the University of Paraguay in Asuncion followed by post-graduate study in medicine at the Henry Ford Hospital in Detroit, Michigan. After working for five years in public health among the Indian settlements he took a year off to take an M.A. degree in Public Health at Harvard University. Today he is director of the public health program of the five Indian
settlements. A major portion of his attention is being devoted to preventive medicine rather than to general office practice.

The third member is the supervisor of indigenous education in the central Chaco, which includes schools for Indians and Paraguayans. He is Jacob Klassen, a graduate of the local high school. In addition to having a teaching certificate he has had some seminary training. He has recently been succeeded by Abram Klassen who had a similar background, plus experience as a school principal.

The fourth member of the technical team is Lehman Metzler, an MCC worker from Pennsylvania. He graduated from Pennsylvania State University and holds an M.A. degree from Michigan State University where he specialized in dairy sciences. He is the director of the Indian settlement agricultural program.

The fifth member of the technical team is Werner Jantz, also a graduate of the Filadelfia Central School. For three years he served in the accounting department in the Femheim Colony Cooperative. Since 1972 he has been employed by the ISB as cooperative advisor in organizing new cooperatives, training co-op leaders, training staff members and advising the Central Credit Committee on the administration of the credit program. During 1978 he is spending six months studying at Tabor College in Kansas.

A sixth member of the community development team is Ann Klassen from Manitoba, Canada. She formerly served as a public health nurse among the Indians but is presently director of the women's social program. This is a highly important function because of the many social and cultural changes the Indian families in the Chaco are undergoing.

The shift from a nomadic or hunting and fishing type of life to a stationary agricultural existence, and the gradual adoption of new life styles and value systems, places the Chaco Indian women in new roles. The production, preparing, and preserving of food, the care of children now attending school, and for many, the adoption of the Christian faith with its new moral and social demands dictates many changes for these women. Ann Klassen is a kind of "woman county agent" who provides a wide variety of counsel and services beyond the normal public health nurse.

On the shoulders of these young leaders rests the heavy responsibility of teaching a new way of life, a new set of values, and indeed a new culture to a population of 10,000 who for the most part were born into a primitive way of life. They knew nothing of civilization beyond their limited natural world of the Paraguayan Chaco; neither they nor their parents were literate or understood anything of modern economic, political or educational systems. The uncertainties and insecurities of life due to hunger, disease, evil spirits and ignorance were their most constant causes of anxiety and fear.
Expanded Credit

From the original $9,000 which MEDA invested as loan capital for three Indian settlement credit purposes, the amount has risen to $47,000 in 1977 in the Indian Central Credit Committee revolving fund. Of this amount it is estimated that about 20 percent has had to be written off as uncollectable due to deaths, poor crops, misunderstandings of credit procedures and a few desertions. MEDA and its ISB partners are not discouraged with this loss ratio. All believe this record is going to improve significantly as understanding of the use of credit spreads, experience matures, and more constant and careful credit supervision is given.

On April 30, 1976 the MEDA executive director, Lloyd Fisher, and the Paraguay Chairman, Erie Sauder, met with the ISB for an historic purpose. It was to transfer 26,634 acres of land from MEDA to ISB. This land had earlier been acquired as part of the Casuarina Ranch, an earlier MEDA project which proved unsuccessful, in which the operations were terminated but the land retained. The purpose of this transfer was to provide additional land which was to be divided into 250-acre plots. Each of these farm units required that the purchaser of a farm must clear and use at least 25 acres for crop production. The rest could be used for raising cattle. The land was sold at a modest price; it was not given to the Indian farmers. However, the money paid for the land had to be earmarked for public services such as building roads, health clinics and schools. This was part of the process of learning that public services must also be paid for by the people who benefit from them.

During 1977 a Central Credit Committee was formed consisting of representatives from each of six Indian settlements. This committee approached MEDA directly for a loan rather than going through the Indian Service Board as was previously the policy. If and when funds are granted by MEDA this Central Committee of Indians will assume responsibility for allocating the funds to each of the Indian settlements. This represents a new step of progress towards administrative maturity and independent decision-making. Both MEDA and the Indian Settlement Board approved the creation of the committee and its plan to relate directly to MEDA.

The committee will carry on an educational program among its members helping them to complete application forms for loans, teaching borrowers the advantageous use of loans and the responsibilities of accepting them. In each Indian settlement committees have been formed to screen loan applications. The Central Credit Committee has hired three qualified Indian field men to work with the village cooperative members in an attempt to promote better understanding and use of credit in home and farm operations.
At a December 1977 meeting of CCC representatives, with MEDA members from North America present, a loan application for $135,000 was presented. This carefully calculated request was to be spread over a three year period. The $45,000 annual amount was to be used for cooperatively-owned tractors and plows for use in plowing, preparing the fields and planting. In the Chaco it is necessary to do this work promptly after rains, while the ground is still tillable. With tractors much more work can be done in a short time than with horses because of the intense heat and the quickness with which the ground hardens. One tractor may well serve an entire village of farmers.

Part of the requested loan funds were to be used also for individually owned, smaller farm equipment such as horse drawn cultivators and planters as well as for livestock, fencing, digging of water holes, land clearing and grass seeding for dairy cows.

It is exciting to note the rapid growth the Indian community development program has made in just one decade. As stated earlier, this growth was enhanced by the well balanced efforts in the areas of education, health and religion in addition to assistance in economics and agriculture. An important element in the excitement is the youthfulness of the emerging Indian leadership.

The writer was privileged to be present at a meeting of the Indian Central Credit Committee at Yalva Sanga in December of 1977. At this meeting the Chairman of MEDA, Milo Shantz, and the Executive Director, Lloyd Fisher, along with eleven Indians representing four different tribes and five different settlements, were also present along with some of the ISB technicians. I was told that the average age of the Indians was 36. The oldest Indian there was 45. The average age of the Executive Committee of this Credit Committee was even younger, 31. This clearly speaks of promise for the future for the Indian communities in the Chaco. It is also a compliment to Erie Sauder and his belief that through faith, friendship and persistence manifested in the Indians they can manage their own life affairs if given an opportunity to do so. Probably few if any other services MEDA will perform will be as significant as the crucial help given to the Chaco Indians. Certainly no other help can be more spiritually rewarding than this aspect of the MEDA program has been.

A concluding note on the relation of MEDA to the encouraging story of community development among the Chaco Indians in Paraguay is the contribution the Indians are making to their communities in ways other than as common labourers. As of 1978 a total of eighty-six Indians are being employed in some part of the program being supervised by the Indian Settlement Board. Sixty of these are employed as teachers in the elementary schools. The other 26 are engaged in various tasks in the medical care program, in giving agricultural assistance, credit counselling and welfare services.
Approximately 5,000 Indians are settled on individually owned farms, thus becoming established in earning their own livelihood. The number of the farms in each of the five agricultural settlements ranges from 55 in the smallest to 395 in the largest. In addition to the Indians settled on farms there are approximately 5,000 more Indians settled in eighteen villages scattered in the vicinity of the three large Mennonite colonies. This segment of the Indian population is composed mostly of unskilled workers who are employed as day labourers in the colony industries and who work for farmers and private businessmen. Many of these have no interest or abilities along agricultural lines. Thus far only a few have become skilled craftsmen or have established small businesses of their own. It is not unrealistic to assume that in the future this too may happen.
AFRICA

There were those MEDA members who had strong interests in foreign missions. They thought the MEDA program had much to offer in the development of stronger churches in foreign fields. Throughout its history MCC has collaborated with mission boards in the development of projects where the two agencies had mutual interests. It was therefore not difficult for MEDA to encourage those of its members who wished to do so to undertake assistance projects on mission fields. This geographical expansion also resulted in further changes in the internal organization of MEDA.

In the development of the South American program MEDA had formed separate committees for projects in Paraguay, Uruguay, and Argentina. The first thrust of MEDA to the African mission fields was made in 1965. In subsequent years projects were undertaken in seven different African countries. This then gave rise to the organization of an African MEDA Committee.

Tanzania


The Tanzanian Christians pondered seriously whether Christians should get deeply involved in business. The converted Christians were largely engaged in small-scale farming and religious leaders earned their living from teaching or, if preaching, from subsidies that came from the mission boards in the United States. A business which produced income above these norms was suspected of being worldly since it seemed to copy the traders who were often accused of exploitation and unethical business
practices. Both missionaries and nationals asked whether "the pursuit of better income carried with it the implications of worldliness."

However, with national independence, it soon became apparent to Tanzanian church members and their leaders that there was no alternative to establishing a local income base. Foreign subsidies would likely diminish and local churches would need to become self-supporting. In the face of this fact, and after being persuaded that business could be carried on in a Christian ethical manner, some of the Tanzanian Mennonites expressed a willingness to undertake business ventures.

Between 1965 and 1969, 26 MEDA projects were established with a total investment of $30,000. By 1977 more than 55 projects had been developed with a total capital investment of $43,000. Tanzania provides an illustration where MEDA taught or is teaching capitalistic theory along with Christianity. Mennonite Christians from the United States persuaded the newly won Christians to accept new ethical norms and new methods of earning a living as a result of national political and economic changes.

Nowhere in any of the 25 countries where MEDA is operating in 1978 is the economic philosophy of the capitalistic system of free enterprise in sharper contrast than it is in Tanzania. Here the national policy is one of agricultural socialism. Succinctly stated, the government of Tanzania is trying to revive and strengthen traditional Tanzanian village economies under the title of Ujamaa (pronounced U-ja-ma). This is described in one of the Tanzanian government publications as follows:

This is the objective of socialism in Tanzania. To build the society in which all members have equal rights and equal opportunities; in which all can live at peace with their neighbors without suffering or imposing injustice; being exploited or exploiting; and in which all have a gradually increasing basic level of welfare before any individual lives in luxury.¹

In essence, Ujamaa socialism is a combination of traditional and contemporary expression of socialistic economics and democratic politics. Self-reliance is the corollary of this ideological stance. In another quote from the government promotional organization called "Tanu" the following is stated:

It is stupid to rely on money as a major instrument of development and we know only too well that our country is poor. It is equally stupid, indeed it is even more stupid, for us to imagine that we shall rid ourselves of our poverty through foreign financial assistance rather than through our own resources. It is stupid for two reasons. First, we shall not get the money.... Secondly, even if it were possible for us to get enough money for our needs from external sources, is this what we really want? Independence means self-reliance. Independence cannot be real if a nation depends upon gifts and loans from

One must understand, therefore, that the Tanzanian Christians had a double reservation to accepting MEDA projects, since it was new to their understanding of a Christian way of life, and secondly it raised some questions about the consistency with the economic policy announced by the Tanzanian government.

The introduction of MEDA to Africa also introduced MEDA to the problems of operating its projects in cultures that were not used to the norms of an industrialized, urbanized civilization and business economics. MEDA had to learn that the assumptions with which it established its first projects among Mennonites in Paraguay would not necessarily hold in Africa. Mennonites in Paraguay, like those in North America, have long ago reconciled capitalistic business ethics and Christianity. They no longer agonize about buying and selling for profit, about charging or accepting high interest rates for the use of money, or about rents, dividends and profits from business transactions as their forefathers the Anabaptists did, or as many of their conservative fellow religionists still do.

Not so the more recently converted Tanzanian Mennonite Christians who are still wary of the trader. They tend to trust neither him nor the economic ethics under which he operates. MEDA offered, to interested and able people, the opportunity to establish worthy businesses of their own. The object was to better their personal and family lives, provide an education for their children, and hopefully support the church. The MEDA motives seemed pure and beyond question to all its members, but Tanzanian Christians were at first not so sure. They saw life in the home and the church as relatively good, at least as moral and ethical. They saw the life of the businessman and the trader, however, as full of pitfalls and as a threat to Christian personal and family life. They had observed these dangers in the life of Arab and Indian traders.

In the African family system everyone shares. Those who have more are expected to share with those who have less. Such a system discourages aggrandizing money or possessions for one’s self or one’s family regardless how little those have who are near and dear, especially if they are kinship members.

Examples of this sharing ethic were demonstrated in both Tanzania and Somalia where several MEDA partners were compelled to turn over their investment to the family patriarch without recourse. In other instances poor relatives lived off the project until the capital was dissipated.\(^3\)

Tanzania is not only the first country in Africa where MEDA launched projects in cooperation with the Eastern Mennonite

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\(^2\)Ibid., p. 238.

Mission Board, but it is also the country where more intensive evaluation of the projects have been made. In 1972 the writer was invited by MEDA and the Mission Board to visit, study and evaluate the 55 projects of MEDA then in operation. This permitted a first-hand acquaintance with some of the people and the social and economic contexts in which the projects were set; a chance to see the way projects actually function and the kind of administration and record-keeping that is carried out both by MEDA and individual Tanzanian partners.

Only a few summary facts and opinions can be shared here in fairness to the many other projects in other countries. The first and largest loan in Tanzania was $5,000 for the purchase of a tractor which was to serve several farmers. This undertaking was unsuccessful. Following this initial loan the projects were all much smaller: 25 loans were issued for an average of $286, and after 1971 the loans for projects averaged only $143. The purposes of oxen, plows, and small fishing boats. At one time there were 12 hammer mills for grinding flour with diesel power as MEDA projects. These were designed as helpful community services as well as individual family business enterprises.

In Tanzania the MEDA partnership concept did not work. The Tanzanian partners had no preparation or background in business management to assume the kind of responsibility that the MEDA policy and pattern called for. The idea of keeping careful records of expenses and income, of separating operating and capital costs, of meeting regular repayment dates, of the payment of interest, and especially of having accumulated unpaid interest, all seemed new, strange and unacceptable. What actually happened was that MEDA assistance, as defined by the local Tanzanian administrative committee, was set up to make simple loans which were to be paid on schedule, but if payments were made at all, they were made at irregular intervals. Project income was often used for support of family and relatives.

Loans were made by the local committee not on the basis of the soundness of the project, nor even to the person deemed most able as a manager or enterpriser, but to the person most closely related to influential committee members. This factor also made collection of the loans difficult later on. African tribal ethics and customs were much stronger as guidelines than MEDA business policies. What was ordinary business practice and common sense to westerners could not be assumed to be so with the Tanzanian brothers.

My summary evaluation concluded that MEDA would need to assume from one-third to one-half of its investment as loss; and that of the remaining loans, one-half would remain delinquent for five to ten years, and that at best one-fourth of the total would be

repaid in the scheduled time. The assumptions with which the projects had been undertaken were too naive. Failure to understand the vast cultural differences that were hidden beneath the surface had to be discovered through disappointing experience. It was most unrealistic to assume that the many new projects could be successfully completed without supervision. Levi Weber, a Virginia businessman, a longtime supporter of missions and secretary of the MEDA Africa Committee, made a valuable observation by way of understanding the reason for the poor repayment of MEDA loans in Tanzania.

"For many years the Tanzanian Church received financial nourishment from the North American Church. This became a source of sustenance almost as natural as manioc.... Because of this, American money acquired a unique characteristic: it did not need to be repaid. It was difficult to erase this feature from MEDA money so there was almost always an expressed or implied resentment toward payment of interest.... With this mental set it can be seen why debts were often viewed as an imposition rather than as an obligation." 5

The high rate of failure and financial losses in this first effort in Third World assistance on the mission field was due, in part, to the inadequate preparation for the launching of the MEDA mutual aid program. The quality of supervision and field administration has been substantially improved since 1975.

Hammermill (left) for grinding grain in Tanzania. A MEDA tractor used cooperatively by several farmers.

Somalia

Somalia differs greatly from other countries in which MEDA has established projects. Geographically it is a semi-arid and religiously a strongly Muslim country. Christianity can not be freely expressed in public. The Eastern Mennonite Board of Missions established work in that country, but its work has met

with a great deal of resistance. It was the missionaries who requested help from MEDA for some of the Christian converts. Four projects were undertaken in 1967, four more in 1968, two in 1969, and one in 1972 for a total of 11 projects. MEDA experiences in Somalia have been almost totally disappointing. Because of political and economic unrest and the strong opposition to Christian missions, MEDA work has had to discontinue entirely. The seriousness of the difficulties are described in Lloyd Fisher's 1972 annual report to MEDA members.

"One of the partners had to flee for his life due to political conflict; one farmer had his farm taken away from him by the government with no payment; one store was completely robbed, even taking the counters, and the remaining agricultural projects have closed because of crop failures due to extremely dry weather."

At the end of the 1977 calendar year the record indicated that out of 11 projects undertaken in Somalia, eight were written off and three were repaid. A total of $10,000 had been invested in eight projects in this country. The one bright spot in all of the efforts in Somalia was a project opened in 1972 in the form of a secretarial services company organized to do photocopying, mimeographing, and typing work for many businesses in the capital city of Mogadiscio. This successful project continues to operate on its own without MEDA resources and the owner is one of the Christian church leaders in a Muslim country.

Zaire

Work in this country began when it was still known as the Congo. In March of 1962 Orie O. Miller and Levi B. Weber visited the area as MEDA representatives and established two projects in Kasai and Bokwanga. One project was a woodworking shop for supplying furniture for schools and churches. The other was a poultry project providing protein food to the impoverished Baluba refugees. Both projects, with combined investment of $3,500, were fully repaid within two years.

Between 1961 and 1967 the political, economic, and social systems in the Congo were extremely unsettled. The political independence from Belgium was followed by severe tribal wars and struggles for political control in the country. For this reason MEDA could not effectively carry on its program during those restless years. With the return of a greater measure of political and economic stability MEDA renewed its program in 1969. Its projects were largely in the nature of agricultural activities such as a hammermill and a large truck used for commercial transportation of farm products.

The Mennonite church in the Congo was well established and still growing with many third-generation Christians who had a considerable amount of experience in business matters. During the early years MEDA depended on mission board and MCC personnel
Ernest Dyck, MEDA Field Director in Zaire with local committee members.

A chicken shelter in Zaire, has provided a rapid means of increasing food production.

for supervision of its projects. The mission board in the early years was known as the Congo Inland Mission, but later changed its name to Africa Inter-Mennonite Mission (AIMM). Projects were undertaken in two main locations, one at Kikwit, which is an area where the Mennonite Brethren Mission Board has strong interests, and the other in the Nyanga-Tshikapa, where the General Conference interests have been developed over a long time period.

Between 1968 and 1977 MEDA assisted in a total of 73 projects. Sixty of these are still active and thirteen have been repaid. To date none has been written off as uncollectable. Among the projects are
a sawmill, a credit union, hammermills, poultry and rabbit producing projects, two farms, several stores, a truck, coffee growing projects, and a host of smaller projects requiring a few hundred dollars for capital. As in all third world countries the requests for assistance far outruns the funds available.

Of major significance in the development of the MEDA program in Zaire is the engaging of a full-time MEDA field supervisor in the person of Ernie Dyck. Dyck is a veteran missionary with specialized training on agricultural economics on loan to MEDA by the Mennonite Brethren Mission Board. This assures MEDA project partners access to helpful assistance whenever they encounter problems which they are unable to solve on their own.

**Ethiopia**

MEDA experienced difficulty in getting projects started in Ethiopia for a rather unusual reason. Lloyd Fisher, in his annual report to MEDA members in 1969, stated that a possible reason was the middle and upper class characteristics of the Ethiopian Mennonite Church. Despite the slow start, in 1977 there were 38 projects underway in Ethiopia; five have been repaid, four were written off, and 29 are still active.

MEDA opened its first three programs in Ethiopia in 1969 with a tailor shop and a cloth store, a drug store, and an agricultural project for a total of $6,800. In 1970, $800 was advanced for the establishment of a private children's day care centre. In 1972 a Coca-Cola distributorship was established; in 1973 three new drug stores were opened to serve families in villages near large new cotton plantations. The plantation owners provided small plots of land to the workers on which to raise vegetables. MEDA made funds available for the purchase of seed and fertilizer and gave assistance in establishing a marketing cooperative.

Ethiopia is one of two countries in which MEDA is carrying on research on the general subject of establishing credit for "little people". The study is focusing on how credit can help or hinder the "little man" in agriculture and business. The purpose of the study is to develop techniques of using credit as a tool to help farmers who own small amounts of land and who have trouble establishing credit for needed loans.

As a part of this experiment Asrat Gebre, a native Ethiopian from Addis Ababa and a dedicated Christian with considerable banking experience, has been employed on a full time basis by MEDA. His duties are to supervise MEDA projects and to study the credit needs of small farmers. His responsibilities include

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*MEDA is deeply indebted to the Hesston Foundation for financially supporting Asrat Gebre in an extended training program in the United States as preparation for his present MEDA assignment.*
supervision of MEDA projects in Tanzania and Kenya as well as Ethiopia. After looking at available credit programs in Ethiopia he will set up experimental programs with already existing Ethiopian companies. These programs establish credit for those who do not own enough money, land or buildings to borrow from local banks and credit agencies. From these experimental models Begre is setting up guidelines to establish credit systems that can be used in other countries.

An illustration of the changing nature of MEDA mutual aid in the newly developing countries is the $10,000 letter of credit that has been accepted between the Toronto Dominion Bank and the Commercial Bank of Ethiopia. This is a financial device which expands the use of funds by guaranteeing loans made locally with Ethiopian currency. It means MEDA does not need to directly supply $10,000 American dollars but only guarantee that amount in case the user of the funds fails to repay. MEDA is thus an intermediary or third party that, like a father, underwrites an obligation for a son and thus enables the person to use funds that he would not be able to secure on the strength of his own credit.

The MEDA field supervisors act like a kind of combination county agent and agricultural bank representative. But in addition to such roles the field men also represent the primary interests of the church. They are ever-conscious that their roles have central evangelical implications. They are rendering ministries according to their own and MEDA members' special gifts of stewardship management. Asrat Gebre visits all the Mennonite churches in Ethiopia, spending an average of three days visiting projects and two days in the office. In this way he is in close touch with the people who operate and own the projects. He may recommend new projects, recommend to MEDA that old loans be written off, attempt to raise new funds or apply for funding from United States or Canadian government.

Kenya

Two poultry projects were opened in 1971 with a group of young families living in the same area on the outskirts of Nairobi. These families have small acreages which they are developing, and poultry is a part of the development. There is a strong group spirit among these church families. Interestingly, this is a project where MEDA assistance is given to a non-Mennonite church group.

Funds were used to purchase a truck which is used to haul feed from the feed plant to the community store and to deliver feed to the member customers. The MEDA funds also enable the farm family to purchase feed in larger amounts and thus at reduced prices.

In 1972 two projects in southwest Kenya near the Tanzania border were established. One was with a farmer who wished to increase his sugar cane acreage, and the other was made to open a butcher
shop. With the help of Clyde Shenk, a missionary under the Eastern Mennonite Board, a considerable amount of time was spent with the project partners in explaining MEDA before funds were granted.

By 1977 a total of 16 loans had been made amounting to $15,000. Of these 16, 12 were still active, one had been written off and three were repaid.

MEDAK is the name of the MEDA supervisory committee in Kenya. Between 1972 and 1977 this committee became very active. As illustration of the nature and amount required for each project the following list of project suggestions is given:

1. Poultry .............. $ 125
2. Carpenter ............ $ 373
3. Oxen and plow ....... $ 313
4. Store ................ $ 362
5. Cattle trading ....... $ 542
6. Hammermills ........ $5,890
7. Tailor ............... $1,205

Total required ........ $8,810

To give readers an idea of the questions asked by members of the MEDAK Committee, questions and comments made at a March 1977 meeting will be extracted. Committee members asked whether MEDA would give them funds each year for new projects and let them make all decisions on the use of funds. David Leinbach, the MEDA field director, said it seemed to him that the committee members needed more experience before they were ready for such responsibility. He proposed to MEDA that MEDAK be given responsibility for all decisions on projects up to $500 for a two year period, after which the situation could be reviewed.

The MEDAK members criticized the length of time it took for projects to be funded after having been accepted. They felt that sometimes decisions needed to be made when it was impossible for David Leinbach to come to meetings. It was suggested that perhaps Kenya needed its own country director rather than share one with Tanzania. Committee members asked questions regarding who should receive loans—people with projects who want to expand, or persons who want to begin new ones. Connected with this question was the amount or percentage of equity a project applicant should be expected to have in order to qualify. The committee reported having $8,000 on hand from repaid projects, which meant additional funds of $3,800 were needed to launch the accepted projects.

MEDA has had a policy of making loans to individuals rather
than to churches. However, in Africa the two financing institutions are governments and churches; hence, in spite of MEDA’s reluctance to go into business with churches, it may need to do so because of the strong local customs regarding this matter.

Nigeria

There is one MEDA project in Nigeria, established in 1972. It is in the form of a part-ownership in a printing and publishing business in Enugu. The business is interested in publishing African literature and is pioneering in text book printing for African school classrooms. A total of almost $7,000 has been invested in the Nigeria project.

Ghana

Ghana is the newest of African countries in which MEDA has provided economic assistance. As of 1977 a total of 23 loans were...
made for economic assistance projects in Ghana—15 in 1974, six in 1975 and two in 1976 for a total of over $8,000. The projects were all an outgrowth of requests for help for newly converted Christian members of Mennonite missions in that country. The size of the loans averaged about $350 each.

Sicily

Although Sicily is not in Africa, under MEDA’s arrangement one project in this country established in 1969 has been administered by the Africa committee. The single project is with a woman who sells ladies’ and children’s clothing. The project was initiated after Sister Nanzia Siino’s first store was destroyed during an earthquake. MEDA fund enabled this woman to re-establish her store and improve her inventory.

In concluding the Africa section of MEDA projects it will be noted that the total number of loans was approximately 167 and the amount invested and reinvested totals $187,000 for an approximate average of $1,100 per loan. The size of the loans varied from $300 to $7,000 or $8,000 per project. All of the loans were made in a 12-year time span, between about 1965 and 1977. A look at a map of Africa will also indicate that the projects are very widely scattered, from Ethiopia in the northeast to Zaire in the south central area and Nigeria in the west central area of Africa. This raises the question of efficiency of supervision of such projects. There is no question about the need for MEDA economic assistance in all of the areas, nor is there any doubt that a large share of the 167 loans improved the means of earning a livelihood for most of the recipients of MEDA assistance.

ASIA

In introducing the reader to yet another geographical area of the world, this time to several countries of southeast Asia, it is appropriate to illustrate how MEDA’s services have come to be spread literally over the face of the earth.

Indonesia

The suggestion that MEDA undertake projects in southeast Asia seems to have come from Orie Miller. In 1968 he headed a delegation to that area. He was accompanied by William T. Snyder, Miller’s successor as MCC Executive Secretary, and Henry Pankratz, A.A. DeFehr and Ivan Martin, other MEDA members. In Java they visited the two groups of Mennonites, namely the Chinese and Japanese, both of which were showing rapid numerical growth. Several projects were investigated, but due to unfavourable governmental regulations and the lack of MCC
available service personnel on the field, no project was undertaken.

In 1969 a second deputation went to Indonesia. This time Edward Snyder, long time vice-chairman of MEDA, accompanied Miller and DeFehr. One of their stops enroute was in Viet Nam, where they decided to start a poultry-raising project in cooperation with a member of a local Mennonite congregation which had been established as a result of previous MCC relief and mission work. Early in 1970 MEDA approved a sawmill for Java. Due to internal problems this project never got off the ground. After talking with local Mennonites in Java it was decided that a cassava mill would be set up instead of the sawmill. However, after receiving additional information, the newly-formed MEDA Southeast Asia Committee decided not to undertake the cassava mill either but rather to launch a salt project.

The salt briquet project makes dried salt bricks from sea water salt. The bricks, weighing about one pound each, are then packaged in groups of ten or 20 and sold to retailers. This project sounds feasible and even exciting since it manufactures a human necessity from an unlimited natural source. MEDA invested $6,000 initially in this project for equipment, a building and modest operating capital. Unfortunately this imaginative venture has had constant difficulties from the start. Successful management has been lacking through the years. Some of those in charge of the project have lacked one or more of the three essentials for success in this venture, namely understanding the drying process, marketing, and accounting. MEDA after ten years of trying is not optimistic about the ultimate success of salt briquet making in Java. Among the discouragements is the difficulty of getting reports from the
partners, who are members of the Javanese Mennonite Church.

A second project undertaken in Java is a bus project. MEDA supplied $4,000 to have a bus built for purposes of providing regular transportation on regular runs between local towns. This project undertaken in the Muria Conference (Chinese) was immediately successful. The capital funds were repaid and a request for another loan to purchase a second bus was initiated. The government requires two buses to register as a bus company.

A third project was considered on the island of Timor where MCC had in former times stationed voluntary service workers. The project was a meat packing plant, but the investment was larger than MEDA was prepared to put into it, and there were about 300 partners who did not wish to sell their shares, so the project was dropped.

Viet Nam

A poultry project in Viet Nam started out with a flourish and the promise of success during the first year. Then the capable senior partner was transferred from the area and immediately the project began to suffer. In addition the project began to feel the effects of the Viet Nam currency devaluation. Each year the situation grew worse until the MEDA assets actually vanished. The project thus died as a result of the strangling effect of rapid inflation.

This then is the story of MEDA in Indonesia and in Viet Nam. Between 1970 and 1977 five loans amounting to $28,000 were made to assist church members in those areas. One of these was repaid; four are still active, one is in a precarious condition and one was written off. The Southeast Asia Committee thus grew out of the interest of several MEDA members in that part of the world. These members paid their own expenses to explore needs for economic assistance. They developed projects with fellow church members in Indonesia and Viet Nam. The chairman of their committee is a member of the MEDA Executive. The Committee regularly reports to the MEDA Executive and to the annual meeting of members. The executive director assumes responsibility for administering the projects and visiting the field periodically.

A quotation from a 1972 report of the Executive Director to the annual meeting about the work in this area reflects a critical note:

“Perhaps the most significant statement that can be made about MEDA in Southeast Asia is that we haven’t given much time or thought toward any sufficient goals or how we want to reach those goals. There has not been any strong interest shown toward developing a viable program for the area. Perhaps the area is so vast and opportunities so great we are afraid to take a look at the situation.”
India

In August of 1972 funds were sent to open two egg-producing projects in south central India, one at Shamshabad and the other at Mahabudnagar. The latter project never got underway because the person placed in the position of leadership ran away with a good share of the funds. This ended further interest by the sponsoring group so that the project came to naught. The poultry program at Shamshabad, however, worked out well, so that additional funds were supplied for further development. Since 1972 additional projects have been sponsored for a total of 23. Original and reinvested funds amount to approximately $20,000. One project in cooperation with J.J. Enterprises of Hyderabad is involved with a firm producing custom made furniture. MEDA funds have made it possible for the firm to enlarge its shop, purchase tools, and stockpile furniture, thus utilizing labour over a greater portion of the year.

Another project in Hyderabad supported a radio repair shop, enabling the partners to acquire additional tools and purchase and stock an inventory of radios for sale. In addition to the projects at Hyderabad MEDA is also involved in an agricultural project in the central province near Seraipali in cooperation with the Commission on Overseas Missions of the General Conference.

Several other highly significant mutual aid developments are taking place in India. In Dhamtari a formal organization called "MEDA of India" has been set up with 66 members. This organization has given consideration to enlarging the Christian Credit Cooperative Society which is an old organization going back to 1932. This society is primarily interested in serving teachers, nurses, civil servants and small farmers by meeting their small credit needs. MEDA of India, however, is more interested in helping merchants enlarge their inventory, start small businesses, and become involved in larger agricultural projects.

MEDA loaned the Christian Credit Cooperative Society $2,500 in 1975 which increased the share capital of the organization significantly. This increase in funds encouraged membership growth from 65 in 1975 to 136 at the end of 1977. This nearly 50-year old society is publicly registered and under the strict government audit of accounts. The society has the unusual record of having had no losses. The loan ceiling has been $250 or four times the amount a member has in his account. Each borrower must have two co-signers whenever he wants to make a loan. The interest rate on these loans is six percent. The society has now increased its membership fees and its loan ceiling from $250 to $500 and will accept a two-year repayment schedule.

The Mennonite Brethren in India have formed what they call The Mennonite Brethren Economic Development Society. MEDA has
International MEDA representatives (l. to r.): Mark Claassen, Colombia; M.C. Emanuel, India; Edgar Stoesz, Akron, Pa., and Milo Shantz, St. Jacobs, Ont., MEDA Chairman, discuss issues.

Just over $20,000 invested in 25 projects with MBEDS. The Overseas Bank of India has agreed to extend a line of credit for loans to the MBEDS clients on condition that it deposit the $20,000 to that bank and that the projects be confined to a six-mile radius of Hyderabad. The manager of the Indian Overseas Bank in Hyderabad agreed to help Mennonite loan projects on condition that those requesting assistance put up 25 percent of the amount needed, MEDA an additional 25 percent, and the bank the remaining 50 percent for acceptable projects. It was also agreed that the bank would be willing to work with letters of credit if details were worked out ahead of time.

MEDA is now working with its India counterparts to help think through long and short term objectives and how to formulate a viable program for financial assistance to the many needs there. MEDA has also agreed to add another $5,000 to its present share of investment in the Christian Credit Cooperative Society of Dhamtari.

This development is an evidence of growing maturation and willingness to assume responsibility in the matter of handling finances for economic purposes by people on the field. It will mean that MEDA will need to focus increasingly less attention on direct supervision and perhaps more attention on the securing of funds, either by supplying them directly from external sources or by guaranteeing the security of funds generated from within the country. In either case MEDA is providing genuine mutual assistance toward economic development of its co-religionists in India.
The third country under the supervision of the southeast Asia committee in MEDA is the Philippines.

In January of 1972 the MEDA office at Akron, Pennsylvania received information that the Eastern Mennonite Board of Missions was working with an indigenous group of Christians called "Missions Now." The leader of the group, Felonito Sacapano, had visited the United States and Mennonites who got him in touch with the Board. It, in turn, asked its representative, James Metzler, living in Manila, to contact Mr. Sacapano. From this the "Missions Now" group's needs became known to MEDA. On further investigation it was found that this little group not only had real needs, but also capable leaders who could administer funds properly. The group has about 25 congregations with an approximate membership of 5,000 largely rural people.

The first project that was proposed by the MEDA representatives looking after this new interest was that of a hog project. A building was constructed to house 12 sows and one boar. Between 1972 and 1977 a total of 13 projects were undertaken with an investment of $14,500. These projects involved the raising of broilers, setting up of a sewing centre, and helping to develop a wood carving project as means of support to families engaged in them. As in all other countries, some of the projects succeeded much more than others. In one instance, namely the sewing project, difficulties were encountered in terms of quality control and with dishonest management. There are pros and cons in opening projects in new countries. Each one offers broader opportunities and attracts the interests of certain MEDA members, while at the same time creating new and additional administrative problems and expenses.

Self-help woodcarving shop in the Philippines.
Other MEDA Projects in the Americas

Colombia

The area committee in MEDA which concerns itself with Colombia is known as the ALAN Committee. This is an acronym derived from the Spanish word order meaning "Area Latin America North". "North" refers to the northern part of Latin America. This committee is concerned with the Central American countries and Colombia where MEDA projects have been undertaken. Colombia represents a country in South America where no Mennonite settlements from Europe have been made. All of the Mennonite churches there are the result of missions established since World War II, largely by the mission boards of the General Conference and the Mennonite Brethren.

There is something extremely interesting and highly significant in the development of the MEDA philosophy in Colombia. The MEDA assistance program has gone through a rather rapid system of maturation within a six-year period. MEDA’s first undertakings began in 1971 as a result of the efforts of MEDA members who were actively interested in Colombia as a Mennonite Brethren mission field. In that year Peter Enns, a member of MEDA and the ALAN Committee, along with Henry Brandt and R.M. Baerg, members of the Mennonite Brethren Mission Board made a trip to Colombia to visit the mission projects, and to confer with the church conference leaders there. The purposes and aims of MEDA were explained and as a result the Colombians elected a local MEDA-ALAN committee and approved the launching of projects within their membership.

A sum of $5,000 in capital was invested to be distributed to eleven project applicants. The intent was to experiment with one project per church to the extent that this was possible. Since there were twenty Mennonite Brethren churches in Colombia, a priority system was established. Each recipient of MEDA funds agreed to the purposes of MEDA and included his intent to raise the economic
level of his family as well as to improve his local church contributions. Within the first year, recipients of the initial eleven projects began to repay their advances so that the resulting funds could be made available to two other churches for new projects.

By this time particularly strong interest in the Colombia program was centered among the members in California. Action was taken at the September 5, 1974 Board of Trustee Meeting to separate the Colombia projects from the ALAN Committee. A new committee under the chairmanship of Peter A. Enns, Dinuba, California, was formed which was called the Colombia-Panama Committee. Panama was recently dropped from the name because a program in Panama was never developed.

The unique feature of the Colombia MEDA program is its strong emphasis upon stewardship, along with reporting of financial progress. Each participant must report on his church involvement, and tithing is part of his quarterly reporting. In 1973 Roger and Marsha Friesen were sent to Colombia in response to a request from the Colombia committee for assistance in the form of a qualified person to teach project holders minimum standards of performance and provide assistance in problem solving. The MEDA project in Colombia made significant history by demonstrating the value of having a competent full-time person as a MEDA consultant. Roger Friesen worked with the MEDA committees in Cali, the centre of Mennonite Brethren mission work, and in Bogota, the centre of General Conference Mennonite activities. One of Friesen's early and substantial contributions was the drafting of guidelines for recipients of MEDA loans. These were

A Colombian homemaker earns a living for her family on her sewing machine financed by MEDA.
designed to enable the recipients to carry on to a large extent when a MEDA director was not present, or perhaps after MEDA would no longer provide an outside supervisory person.

Another significant result of Friesen’s inter-Mennonite activity was the formation of MENCOLDES, which is the abbreviated name in Spanish for the new Colombian Mennonite Foundation for Development. It officially came into being in June of 1975, complete with approval of the by-laws and the manual of operations by the board of directors. MENCOLDES was the result of a search by the leaders of the two conferences for an effective way of expressing Christian concern for physical need in a joint way. The MEDA loan program was a significant factor in consummating this program.

On various occasions the GC and MB Mennonite leaders met to discuss the feasibility of a joint effort, considering such factors as physical distance between the two groups and the philosophy of the proposed organization. Through the excellent leadership of Roger Friesen and the statesmanlike counsel of Edgar Stoesz, then MCC Director of Latin America, Colombian leaders were encouraged to structure a mutual program. Each group named official representatives who later became founding members of the new organization. The decision of MEDA and MCC to provide initial capital and/or operating funds gave final and crucial impetus to the organization of MENCOLDES.

By drawing on the resources and specialties of MEDA and MCC plus the backing of both the General Conference and the Mennonite Brethren Conference, MENCOLDES has become a vigorous agent in community development in at least a few neglected areas of Colombia. Gerald Stucky, a veteran missionary to Bogota, commented on this achievement when he said, “It is encouraging to see Mennonite groups putting aside imported organizational and historical differences to cooperate in the service of God to their brothers.”

What is additionally exciting about the Colombia program is that when Roger Friesen returned to North America his successor was Luis Correa, a gifted leader, a product of the mission field, and one who was able to succeed Roger Friesen in such a way as to continue the momentum of the MEDA program in Colombia. Not only has Luis Correa been able to continue the momentum of the existing projects: he has been able in an ingenious way to expand the services and the philosophy of mutual assistance in his country. As of the end of 1977 a total of 73 loans had been made for project assistance in Colombia, 29 of them having been repaid, 12 written off as uncollectable, and 32 still active.

An examination of some of the MENCOLDES projects will illustrate the vigor of the organization and the substantive quality of the assistance given. In Choco MENCOLDES accepted the invitation of an existing Mennonite credit cooperative to help that
community install a rice huller. Since rice is the region's main agricultural project, the huller was very much needed in the area. MENCOLDES invested approximately $15,000 in the rice huller and a dryer which are operated by the Mennonite cooperative for the farmers in the entire area. MENCOLDES has placed an agronomist in Bebedo, Choco, to teach farmers new techniques of agricultural production. Pig- and chicken-raising projects are also under way with the aim of improving the people's diet. In another community in the village of Uribe, MENCOLDES helped build two wooden bridges and three schools. In all cases the communities took a very active part by supplying volunteer labour.

Future programs for this area include experts in handcrafts, agriculture, public health, rural civic life, social promotion, and leadership training. Work is also being done on improving housing in rural living conditions as well as establishing a central agricultural cooperative and tool store. Thus it will be seen that through MEDA's modest efforts with funds to establish small businesses and family industries, the mutual aid philosophy soon expanded into community-wide education, health and social life improvements.

Under MENCOLDES there are two credit committees, one in Cali, and the other in Bogota. Both are composed of church

As an illustration of the wide range of requests for assistance, the committees consider applicants for loans and recommend or reject the applicants to Luis Correa. Requests for projects, of course, are limited to the extent of the funds available.

Collecting money on loans is a problem in Colombia as in every other country. People who are not used to handling money and who do not appreciate the full meaning of credit tend to think that bank loans are far more urgent to be repaid than those provided by local credit unions of which they are members. The tendency is for those who have borrowed money to use repayment funds for personal uses.

Luis Correa hit upon an idea that has worked wonders in this connection. To all who had loans to repay to MENCOLDES he gave a small wooden box with a lock on it and a hole in the top. The name MENCOLDES was written prominently on the top of the box. He worked out with his clients what the monthly payments would amount to if worked out on a daily basis. For many of them it was a matter of a few pennies or perhaps up to 50 cents a day. For instance, if a person had a monthly payment of $12 he should deposit 40 cents per day into the box. Correa found to his pleasant surprise that his suggestion was a popular one and that people have cooperated and even found it fun. No one has rejected the money box idea so far. This seems an easy and practical way of teaching saving and debt-repayment habits. It is important to mention that Luis Correa keeps the key to the box so that he and his clients have
something to look forward to each month when he comes to visit them or when they bring the box to him.

In spite of high morale and the generally excellent report on MEDA projects, MENCOLDES must report failures as well as
successes. During 1977 approximately $2,000 had to be written off on old projects. Reasons for these failures were a mixture of poor management, adverse economic experience and the general negative influence of devaluation and inflation. At the present level of activity MENCOLDES is not in a position to assume the costs of the full-time services of the MEDA director. This is borne in part by MEDA and in part by MCC. MEDA's share of the administrative expenses for 1978 is budgeted at $9,500.

As an illustration of the wide range of requests for assistance, the following projects have been approved subject to available funds.

1. Buildings ...............$ 925
2. Outboard motor ...........$ 750
3. General store inventory ...$ 925
4. Candy making ..............$ 925
5. Second floor apartment ...$ 925
6. Welding equipment ........$ 300
7. Iron crafts .................$ 925
8. Vegetable gardening ........$ 300

$5,975

Two larger projects were undertaken, one for repairing a private school at a cost of $2,425, the second a low-cost housing project at a cost of $30,000. This list and the size of the request gives the reader some idea of the size, the variety, and the nature of expressed needs in developing countries. MEDA is trying to place responsibility upon nationals to evaluate the various projects in order of priority and to select the applicants to receive such limited funds as are available. Thus MEDA, in addition to providing funds and technical information, is also attempting to educate its partners to assume responsibility for decision-making and in developing judgment regarding business and financial matters.

Belize (British Honduras)

This is the second country to be discussed under the general heading of the ALAN Committee. Toward the end of the 1960's there was an increasing expression of interest among Mennonites in the eastern Pennsylvania Mennonite churches in a MEDA-type committee for Central American countries. Missions had been established in Mexico, British Honduras, Costa Rica, Jamaica, Dominican Republic and Puerto Rico. Early in June of 1969 a group of interested persons met in Akron, Pennsylvania and formed a MEDA Central America Committee, now named ALAN. What was then the Honduras Mennonite Church, invited representatives from MEDA to explain how MEDA worked and how assistance might be secured.
Two deputations, both led by Orie Miller, made trips to Central American countries to explore needs and possibilities. Ivan Martin and John Yost accompanied Miller to British Honduras, Honduras and Costa Rica on the first trip, while John Weber and Lloyd Weaver accompanied Orie Miller to Jamaica and Haiti on the second trip. Specific MEDA projects did not develop in any of these Central American countries until 1972. In that year two projects were begun in Belize and one additional project each in 1973, 1975 and 1977 for a total of five and an overall investment of $42,000.

Community development in Belize illustrates the effective cooperation that has taken place in a half dozen countries between MEDA and the various Mennonite mission boards. Prior to the entry of MEDA into Belize, the Eastern Board of Missions and Charities, Salunga, Pennsylvania had established mission work in the newly independent country. It was the mission personnel who brought to the attention of MEDA the need and the opportunity for assistance in a specific agricultural development project.

At a May 29, 1972 meeting with representatives of the mission board, the executive director of MEDA and representatives of the newly formed San Felipe Mennonite Church, needs and resources were brought together. A group of church members wanted to form an agricultural association or a cooperative to take advantage of an agricultural land development program but lacked the necessary finances to do so. They also needed and wanted counsel in matters of farm management and modern agricultural methods. This is precisely what MEDA was designed for, and fortunately was able to respond favourably to the request. It was thus able to fulfill the goals of three groups: the San Felipe farmers, the Mission Board and MEDA.

In 1972 12 Belizian Mennonite Church members formed an agricultural association. Two members withdrew in 1976, leaving ten farmers presently active. The purpose of this organization was to take advantage of the Belizian government’s offer to provide 30 acres of land to each farmer who would clear and improve it over a five-year period. The first MEDA grant of $2,000 was used to clear land and put it into production. It did not provide for purchase of machinery and livestock. The members of the agricultural association contracted to have the land cleared by Old Colony Mennonites from the Blue Creek Colony nearby. Members of the more progressive Mennonite colony at Spanish Lookout, located in another section of the country, provided the Agricultural Association with a tractor which they and other farmers were free to use on a rental basis of $3 an hour. After the tractor had paid for itself it became a possession of the Association.

In 1974 the Association decided to expand farming operations and applied to MEDA for additional loans. These were granted between 1974 and 1976 to the extent of $17,000. With these funds it was
possible to erect a machinery storage building and a grain dryer, purchase a cane truck and other necessary equipment. In 1977 a total of 189 acres was being farmed, 76 of which was in corn and 113 in sugar cane.

MEDA makes the cash advances to the locally organized group which is then responsible for repayment. The funds advanced by MEDA are to remain in the country. Interest paid by the farmers on their loans is added to the capital funds. Money advanced by MEDA is to be repaid to its account but will not necessarily leave the country.

Bill and Judy Houser of Lancaster, Pennsylvania are presently employed by the Eastern Mennonite Board of Missions and Charities, Salunga, Pennsylvania and seconded to MEDA on a full-time basis to give constant supervision and counsel to the newly established farmers and their wives. The Housers live in the village of San Felipe next door to the headquarters of the San Felipe Agricultural Association. In this way careful and constant help can be given as problems arise. One useful form of assistance is teaching farmers to keep records of how money is spent and how to determine the nature and extent of profits or losses.

Each farmer is given a monthly account of the balance owing, the amount of interest for the current month, the total amount he has invested and the amount the farmer has repaid to the Association. He also is shown the total amount he has ever borrowed, the total amount of interest he has paid and the total amount he has repaid. In this way, each farmer learns something about the business of agriculture and the secrets of putting together the factors of land, labour, capital and management in such a way as to make a particular enterprise economically successful.

<table>
<thead>
<tr>
<th>Item</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plowing</td>
<td>$191.62</td>
</tr>
<tr>
<td>Discing</td>
<td>85.29</td>
</tr>
<tr>
<td>Planting</td>
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<tr>
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<tr>
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<tr>
<td>Bush hogging</td>
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<tr>
<td>Trailer</td>
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<tr>
<td>Picking</td>
<td>226.30</td>
</tr>
<tr>
<td>Weighing &amp; unloading</td>
<td>6.95</td>
</tr>
<tr>
<td>Drying</td>
<td>131.40</td>
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<tr>
<td>Shelling</td>
<td>73.96</td>
</tr>
<tr>
<td>Storage</td>
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<tr>
<td>Total</td>
<td>$1,043.21</td>
</tr>
<tr>
<td>Total Income from sales</td>
<td>$1,241.70</td>
</tr>
<tr>
<td>Profit</td>
<td>$198.49</td>
</tr>
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</table>
In Belize there is a second MEDA project, the August Pine Ridge Agricultural Association, with four farmer members. It is located in a neighbouring village of San Felipe. It is a newly formed organization with small capital investment. The August Pine Ridge group is from a small congregation of eight to ten families and will likely grow with the congregation.

Another project of interest in Belize is a $960 loan to a veteran lobster fisherman for a boat. The project has had consistent difficulties. With the original loan a small boat was bought and the owner did reasonably well. He then decided, without consulting anyone, to sell the small boat and buy a larger used one. Two gasoline engines on this larger boat turned out to be in poor condition. To remedy this situation the entrepreneur bought a diesel engine which also turned out to be a bad purchase. The repairs cost him almost as much as the engine. After he got the mechanical difficulties solved and the boat repainted the year’s lobster catch was very poor. He continues to hope and work. Of the $960 loan made in 1972 the lobster fishing project still is in arrears to the amount of $600.

These are illustrations of MEDA efforts to provide mutual assistance to hardworking and sincere people who are asking for help and seem worthy of help, but who do not escape hardships even when financial assistance is provided.

I asked the president of the San Felipe Agricultural Association what impact MEDA has had on his little community. He replied as follows: "We have learned how to work together. Before MEDA we worked separately. Now we have learned something about agricultural skills. As tractor operators we have learned much about farm machinery, especially how to keep tractors in working condition."

I wondered whether the MEDA assistance to some members of
the congregation with the resulting improved economic condition might have an alienating effect on other members of the small church who were not being similarly assisted. It did not seem to have a bad effect on church members who were not benefiting directly from the MEDA project. The Association is open to other farmers to join if they care to. One church member expressed a preference not to join, while another member wanted to join but the group was reluctant to accept him because of his impetuous behaviour and his unstable reputation. It appeared to me that the MEDA assistance had provided a substantial economic base for the majority of members in this little congregation with visible evidence of strong morale in the entire community. The congregation seemed to reflect enthusiasm, joy, and hope for the future.

Costa Rica

MEDA is cooperating with the Conservative Mennonite Mission Board in Costa Rica. The church and mission work there is relatively new as mission board services go. Between 1971 and 1973 12 projects were undertaken. Since 1973 no new loans have been made. The uses to which the $6,600 invested in Costa Rica between 1971 and 1973 were put were two chain saws, one poultry project, one body repair shop, one tailoring shop, two dry goods stores, two grocery stores, and one banana growing project. Of 12 loans have been repaid in toto, four partly repaid, and two have been written off.

The MEDA projects in Costa Rica illustrate a pattern of initiating projects in a new country without adequate supervision. The director of the mission, with headquarters in San Jose, also served as a MEDA representative. He mentioned that the only people who would have qualified for loans under the MEDA standards were members of the committee appointed by the church. For these people to have taken loans for themselves would have had a negative implication. Because of neglected supervision, recipients of MEDA loans were not certain whether they still owed their loans or whether they had been cancelled.

In Costa Rica MEDA unfortunately developed a type of negative reputation and a tradition of defeat. I was told that if MEDA were to try to establish itself it would be hard to live down its negative experience. It was my own observation that compared to the many other countries of the world where MEDA is operating, needs in Costa Rica are not nearly as acute, since the standard of living in the country as a whole is among the highest in all of Latin America.

Guatemala

The first project in this country was opened in 1973. Considerable
time was spent by some of the missionaries in studying the possibilities of setting up a cooperative for a group of tailors. The tailor members purchased their needed supplies and sold their products together in quantities. They accepted orders from merchants at a contracted price. Quality work and control was one of their goals. The project was managed by expatriots at the beginning but the intention was to turn over the entire project to Guatemalan citizens as soon as possible. As of 1977 a total of $2,500 was invested in the project. An additional $1,000 was sent to Guatemala to be used in opening small projects as a way of training.

Honduras

MEDA has its greatest number of projects under the ALAN Committee in Honduras. The first 11 projects were opened in 1970, nine more in 1971, nine in 1972, and seven in 1973. The projects include a store, several agricultural projects, a tailoring shop, and a carpenter shop. From $100 to $500 is allocated to each. A total of
$9,000 has been invested as of the end of 1977. The program is administered by a committee made up of national leaders. Repaid funds from projects are reinvested in additional projects. The national committee is encouraged to hold seminars among applicants for loans before those loans are given.

Mexico

Only two small projects are operating in Mexico in cooperation with Pacific Coast Mennonite Mission Board. The projects are to help farmers purchase seeds, fertilizers, and insecticides. The loans are made to pastors of local congregations. The total investment amounts to $875.

Other Countries

Investigations have been made and projects considered in Nicaragua, Haiti, and the Dominican Republic. One project in Haiti involving $2,500 and three projects in Nicaragua involving $2,600 have been initiated of which two have not turned out successfully. A carpenter project in Nicaragua has helped a carpenter considerably. By helping him purchase a couple of power tools he now employs a number of workers and does door, window and cupboard work for contractors. No projects have been developed in the Dominican Republic.

Bolivia

Almost 20 years after the first projects were introduced by MEDA into Paraguay the first project was introduced into the neighboring country of Bolivia. In 1953 there were no Mennonite settlements in Bolivia. In 1977 there were 11 settlements with a total estimated Mennonite population of 11,000. MEDA’s first project was introduced in 1972. Four additional projects were added in 1974, 1975, and 1976 and a total of $40,000 invested.

MEDA entered Bolivia in part because the demand for its services were declining in Paraguay and increasing in Bolivia. General economic conditions were rapidly improving in the Paraguayan Chaco, while in Bolivia, MCC was sending over 40 voluntary service personnel to answer their call for help. It was through the MCC personnel that Bolivia’s needs for MEDA were made known.

Only a small project in Bolivia is with the Mennonites, namely a $2,500 loan to an Old Colony cooperative in the Canadian Colony with 20 families. The money was used for capital to buy

merchandise for resale to members. The members each invested $100 to erect a store building. The loan by MEDA is being repaid on a four-year amortized schedule at a 5½ percent interest rate.

A new method of providing assistance to the "little people" of Bolivia is being experimented with on essentially the same basis as that described earlier in Ethiopia. Kenneth Graber from Archbold, Ohio, who earned an M.A. degree in agricultural economics from Purdue University, is the full-time MEDA field director. He is trying to learn how most effectively to provide economic assistance to "little people," especially small farmers. Graber is experimenting with different methods of providing assistance.

One method being tried is to work with existing agricultural cooperatives and credit unions. One such venture was a $25,000 loan to the La Merced Cooperative, which claimed 16,000 active members. This cooperative used a motto that "he who has not learned to save should not borrow." This profound insight into human behavior may account for La Merced's success as a cooperative. As a result of this initial MEDA loan in 1974 the Co-op was able to expand its line of credit so that it now has $250,000 in agricultural loans. The bulk of these loans was to farmers needing $200 to $300 for production purposes. These loans may seem insignificant to North Americans, but for the small Bolivian farmer they mean money for good quality seed, fertilizer and insecticide. If weather is favourable they will likely have a crop, which means food for the family and perhaps a little money to send the children to school, if there is a school locally. The co-op charges 15 percent interest and yet the program is not self-supporting because of the high rate of inflation. The real benefit of the MEDA loan to La Merced is that it brings many new farm families into the savings program. A large grocery store and drug store owned by La Merced makes supplies available to its members. The co-op also offers correspondence courses on technical subjects, operates a demonstration cattle-raising ranch and has developed a farm recreation center. The co-op is also the isolated Bolivian farmer's bridge to the larger world beyond his little isolated village.

Graber is more of a counsellor to the co-op leaders than to the individual farmers. As a result of making substantial amounts of loan capital available, he is in a position to make suggestions for improved ways of using credit as well as more efficient ways of agricultural production. It is Graber's theory that animal power is more efficient than mechanical power at this stage of development among Bolivian farmers.

A second MEDA project in Bolivia is with El Progreso Cooperative, 20 miles west of Santa Cruz. In 1975 it extended its first loan of $5,000 with the promise of additional funds up to $20,000, which has now been provided. The purpose was to help small, new farmers who were co-op members. Many of them were late with
their payments. Graber decided to use crop budgets as a teaching device when farmers filled out applications for loans. This revealed very narrow profit margins and explained the reason for the habitual late payments. This caused him and the farmers he was trying to help to think of new ways of using old resources or developing new ones.

He began to assess the methodology of the existing credit program, present production methods, the size of the farm acreage, the use of fertilizer and herbicides, the possibility of special crops and capital-intensive crops, and even irrigation farming. Out of these questions and discussions came the decision to study uses of the co-operative for marketing, how it might have greater input and how it might develop new technological methods. The farmers decided it could not do anything about marketing. They are suspicious about anyone else handling either their products or their money.

Ken Graber, Bolivian field director, talks with a local farmer.

The small farmer situation in Bolivia illustrates problems of getting financial credit by small farmers in most third world countries. Kenneth Graber listed the following barriers that he discovered in the Santa Cruz area of Bolivia. First is the high cost of administering credit to lenders. Careful supervision of small loans in scattered areas is costly. A small loan costs as much to service as a large one. Second is the high risk factors of variable climate, prices and damage from disease and pests.

Another barrier to credit for the “little man” is its inaccessibility. Graber found that in the existing credit programs of the
Agricultural development banks there were distinct steps necessary to follow in order to secure credit. Each of these steps could be a formidable barrier. There was, for instance, a minimum $50 charge to apply for a loan. If the farmer would apply for a $500 loan his minimum charge would already have chipped off ten percent. A further barrier is the lack of acceptable collateral to support a loan; for example a tractor, livestock or cleared land. Should a farmer be fortunate enough to own a tractor worth $10,000 he would need to pay five percent of the value or $500 merely to register the tractor for the loan.

A further barrier to the farmer is that land without titles cannot be used as collateral. This is quite normal in more advanced countries but in a great many third world countries, of which Bolivia is one, many farmers have no clear titles even after living on and farming a piece of land for 20 years. The reason is the costliness of getting titles. There are probably more than 22 steps required to find one's way through the bureaucratic maze of engaging lawyers, surveyors and the army of local officials. To top it all off the president of the country must sign each and every title in order for it to be official and valid as loan collateral.

A final barrier to loans in Bolivia under present conditions is the fact that existing credit programs are designed for specific purposes such as wheat growing, corn growing, cattle or poultry producing, for which separate applications need to be made. There are credit programs for specific geographical areas which eliminate services in other areas. The small diversified farmer with a first year's cost for production of $360 per hectare discovered that if everything went as planned, the total per hectare income would be only $350.
Kenneth Graber realized that if the proposed program were implemented it would spell disaster for thousands of farmers and for the entire program. By contacting the officials of the agricultural bank and officials of the National Association of Rice Co-operatives they were able to negotiate a three-year amortized repayment plan for the cost of land clearing. Because of too much rain no soya beans could be planted on the 2,000 hectares of cleared land. All the work of clearing and planting was done with tractors, and will be done again when the entire 2,000 hectares need to be weeded and replanted. The 200 farmers involved in the cooperative project are still faced with repayment of the previous year’s futile preparation costs.

Graber thinks that this illustrates the inappropriateness of mechanized farming for the small Bolivian farmer. He argues that farmers should use animal traction because in that way they have a crucial handle on controlling and reducing production costs. Smaller loans of several hundred dollars instead of thousands; of dollars would be easier to earn and to repay and would likely leave larger net earnings for the farmers and their families. It would also be in keeping with MEDA’s philosophy of helping individuals in need to become self-reliant and economically self-sufficient, by helping the small Bolivian farmer into programs of diversification and a balance of small industry and agriculture.

To achieve this will mean more than extending agricultural credit and supervision. It will mean a great deal of educational effort regarding the production of a variety of livestock, poultry, pigs and crops and the use of animal traction for which there are no credit facilities of a public nature and very few private ones.

In light of circumstances such as those just described it is plain to see that MEDA services and philosophy are desperately needed. The newer trends in MEDA credit service to larger organized groups may make more sense than to help individual farmers directly. Under the new aid system native leaders are being trained to work with individual farmers and the MEDA field directors spend their time and energy in educational efforts with groups through seminars, workshops and weekend conferences. One of the significant efforts of the new MEDA mutual aid program is to involve local businessmen, agricultural professionals, missionaries and especially bankers in the long-time objectives of agricultural development. It is an attempt to teach and to demonstrate that the improved welfare of the whole is enhanced by the cooperative efforts of each of the components of the society.

The following experience of MEDA’s Bolivia field director, Kenneth Graber, and Harry Peacock, formerly an agricultural missionary with the Methodist Church in Bolivia, illustrates how alertness, conscientiousness and persistence can determine the course of events for a whole nation. The Bolivian National
Association of Rice Growers Co-operative sponsored a credit program for clearing land and for growing of soya beans. Their initial plans called for the collection of the entire cost of land clearing, plowing, cultivating, planting, weeding and harvesting from the income of the farmer’s first year’s harvest. Graber and Peacock very carefully calculated the anticipated income and expenditures of the project for the average farmer involved and found that the first year’s costs would exceed the income. On the strength of their data they were able to persuade the government agricultural planners to shift from a one to a three-year repayment plan. This service avoided a certain economic catastrophe for a large number of already poor farmers, and at the same time prevented embarrassment to the well-meaning but inexperienced government officials.

The illustration just cited calls attention to the radical difference between government agricultural service in Bolivia and that with which we are familiar in North America. Bolivia has not had the benefit of a hundred years of research and publication of agricultural information from dozens of land grant colleges and county agents in practically every county in the United States and Canada. The kind of help MEDA can provide may need to be at the government level as well as with the individual farmer locally.

One of the Bolivian cooperatives, El Progreso, has received credit assistance from MEDA to raise farmers’ living standards and is located near Santa Cruz, Bolivia.

DOMESTIC ACTIVITIES

Canada

Over the years of MEDA’s existence a recurring topic has been
why MEDA services were available only in foreign countries and not in North America where they originated. The answer appeared to be that needs were greater in the foreign countries and the number of sources of financial assistance and counsel were far more numerous at home. Nevertheless, MEDA became involved very gradually in several areas in North America.

A group of Franklin County, Pennsylvania and Washington County, Maryland businessmen became interested in purchasing a student boarding house at Thunder Bay, Ontario for Indian young people from Red Lake, Ontario living temporarily in the city. This project was processed through MEDA, and a committee to finance and supervise it was created. A former VS person asked MEDA for funds to purchase a skidoo to haul freight from the airport to merchants and to cut and transport firewood to inhabitants. From this resulted two additional projects in 1974 for a total investment in the three projects of $7,600. By 1977 two of the projects were repaid and one, a store, was still active. Since there were no more requests for funds from this area the revolving funds were transferred to other projects in Central America under the ALAN Committee.

United States

In Appalachia, where MCC has had voluntary service workers, MEDA was asked to consider assisting in a woodworking project where skilled craftsmen needed no funds but wanted technical advice and special material. Sauder’s Woodworking Company at Archbold, Ohio was able to supply needed materials at cost and thus help a floundering project become more self-supporting.

A second MEDA project in Appalachia is a greenhouse at Pikesville, Kentucky. This project is operated on a 50-50 basis with MCC. Both cut flowers and bedding plants are produced. A MEDA member, Howard Yoder of Wooster, Ohio investigated the project before MEDA invested $5,500 as its share of the venture in 1973.

In 1977 MEDA undertook to assist a unique project in Oklahoma among the Indians who are attempting to develop a native crafts industry in connection with the restoration of an Indian village as a tourist attraction. The project is under the leadership and direction of Lawrence Hart, an Indian Chief, from Clinton, Oklahoma, who is a college graduate and a product of a local mission church. A total of $10,000 is invested in the project.

One of the newer frontiers on the domestic front so far as MEDA is concerned is in the area of assistance to black, Chicano and Indian Mennonites in cities and in newly emerging church fellowships among those minorities.

After considerable soul-searching, the MEDA Board of Directors in 1977 at Fresno, California decided that if they would become involved in domestic programs with minorities it would be on a small scale, which is their practice in most foreign projects. They
agreed to give counsel and such expertise as they might have. The decision resulted in helping to set up a photography shop with a Mexican-American Mennonite in Corpus Christi, Texas. Assistance from another MEDA member resulted in an eastern Pennsylvania grocer being helped to overcome financial problems, and thus enable the store to continue to serve a needy area.

Table No. 1

Summary Status of Total MEDA Loans Made 1953-1978

<table>
<thead>
<tr>
<th>Country</th>
<th>Date of 1st Project</th>
<th>Total # of Loans Made</th>
<th>Total Amount Invested</th>
<th>Loans Repaid</th>
<th>Loans Written Off</th>
<th>Loans Active</th>
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<td>61,282</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Zaire</td>
<td>1968</td>
<td>73</td>
<td>75,425</td>
<td>13</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>422</td>
<td>$788,680</td>
<td>107</td>
<td>54</td>
<td>261</td>
</tr>
</tbody>
</table>
It is appropriate that in this chapter we take a look at the overall achievements of the MEDA program. Detailed statistical information is provided in the charts and tables elsewhere in this book, but a few overall generalizations may help to set the frame for discussion in this chapter. The period from 1954, the date of the first MEDA projects in Paraguay, to the end of 1977 indicates that MEDA assisted in 422 projects; of these 261 are presently active, 54 have been written off, and 107 have been totally repaid. The total amount of money originally invested by MEDA members or through contributions, and reinvestments of the funds repaid from completed projects, amounted to $789,000.

It is estimated that from three to four hundred families have been helped directly by all the MEDA projects, and possibly two or three times that number indirectly. This could have affected four to five thousand persons when one considers the way in which benefits are shared in the extended families in the countries being assisted. This obviously is insignificant when viewed in terms of the millions needing help; however, when viewed as an experiment in helping people to help themselves it takes on greater importance. The assistance provided is not charity but genuine mutual aid between partners. In most cases the aid has left the recipient in a permanently improved situation.

The forms, types, amounts of money involved, the purposes, and the circumstances under which assistance was given have varied tremendously. These have ranged from simple individual loans of less than $100 to long-time partnerships with large numbers of individuals and thousands of dollars of venture capital. There have been agricultural loans to purchase and clear land, to buy seed, feed, insecticides, dairy cows, animal power, harnesses, wagons, plows, tractors, poultry, and pigs. MEDA has been involved in dairying, cattle ranching, rice growing, greenhouses, woodcarving, and lobster fishing partnerships.
In the field of business and industry MEDA has assisted in the establishing of tailoring shops, small stores, drug stores, soft drink bottling, furniture making, watch repairing and selling, radio repairing and sales, a bakery, printing, sewing and cloth shops, a tannery, shoe manufacturing, a foundry, a creamery, hammermills, a hatchery, bus transportation, a day care centre and credit services.

In this chapter we want to look at the overall significance of this variety of assistance projects or what might well be called mutual aid efforts. This will be done by enumerating what are considered achievements in the light of MEDA objectives expressed in the first chapter of the book.

1. Innovative Brotherhood Economics

Perhaps the most important achievement of MEDA is the sole fact of its coming into being. Establishing this organization with its lofty purposes was in itself a major achievement. MEDA represents an innovation in brotherhood economics. It really represents a retooling of the old Christian technique of mutual aid. MEDA as an organization has found new uses for an old form of Christian burden-bearing. In this instance the burden-bearing goes beyond the household of faith and across national political and cultural boundaries.

The marshalling of Mennonite church members with money and with Christian motivation for purposes of extending credit to total strangers in foreign countries, although fellow Christians, is a unique achievement. The men who founded MEDA and those who currently support it, reflect considerable compassion and courage. To use a contemporary vulgar phrase, it was an illustration of "putting their money where their mouth was." It was courageous because it meant sharing substantial amounts of money, time and skill without any expectation of rewards in return other than the satisfaction that comes from doing good.

2. Inter-Mennonite Fraternity of Businessmen

A second achievement, although quite unintentional at the outset, is the way in which MEDA brought together Mennonite businessmen from one end of the United States and Canada to the other. MEDA brought into one organization persons from Pennsylvania to California, and from Ontario to British Columbia. Representatives from five different Mennonite bodies have been involved in MEDA almost from the beginning. All Mennonite groups have been welcome but there has never been a conscious attempt to have any kind of a balanced representation from various conferences.
The fraternal aspect was, however, not the main purpose but rather a by-product of MEDA aims and programs. It has provided an avenue of service under general church auspices which many Mennonite businessmen had not previously enjoyed.

3. MCC-MEDA-Mission Cooperative Effort

MEDA has strengthened the service of the larger Mennonite brotherhood throughout the world by collaborating with the Mennonite Central Committee and various conference mission boards to do what these were not equipped to do. As in so many other instances in helping to establish Mennonite service agencies, the MCC was a kind of mid-wife helping to give birth to MEDA. On the other hand, MEDA has come to serve the larger interests of MCC by providing financial credit and other forms of economic aid on a business basis. MEDA organized long-term partnerships, made financial loans, and charged interest as well as collecting repayments which neither mission boards nor the MCC were prepared to do. MEDA thus came to perform a needed service within the Mennonite church that enabled it to minister to the practical needs of people. It provided an economic service that no other church agency had been created to perform.

4. MEDA’s Christian Investment Philosophy

There are uniquenesses about this organization. It was originally intended to be a profit-making organization, but not for those furnishing the capital. The unique MEDA idea was to have the recipients of financial assistance demonstrate to themselves and their local communities that the new business was economically viable and that it could stand on its own feet. If it could meet all expenses, pay interest, and repay the capital it would prove its viability. The money that MEDA partners repaid was, however, not to be returned to the North American MEDA members but was to be put into revolving funds and reinvested in other projects and thus help others who were aspiring entrepreneurs. To the best of this writer’s knowledge not a single MEDA member has personally benefitted financially from any money invested in MEDA. However, all members have lost money as a result of projects that have failed. Never has MEDA taken measures to collect bad debts beyond simple requests. There have been no lawsuits or, as far as this writer knows, no hostilities between MEDA and any of its partners who did not pay.

5. Giving Aid Without Impoverishing Recipient

A considerable achievement of MEDA is that it has learned
something about giving aid without impoverishing or demeaning the recipients. It has helped a significant number of individuals and families to move from the status of the propertyless to that of property owners. It has helped raise people's hopes and their self-esteem. It has demonstrated a confidence and faith in them in a way no other creditors ever had. Hopefully such encouragement and renewed hope has been reflected in more vigorous church participation and more compassion to reach out to serve others in the local community.

Perhaps it should be pointed out that MEDA is helping the "rich-poor," not the "poor-poor." By the rich-poor we mean those who have little worldly goods but who have ambition, hope, and eagerness to learn, a willingness to work and a readiness to take advantage of opportunities to improve their own and their family's economic, social and spiritual condition. The first and often the most difficult task of the MEDA field supervisor and local committee is to sift, select, screen, and evaluate applicants for financial assistance as to worthiness of character and of the project. Of the many who ask for help only a few can be granted assistance. The several thousand persons who have been assisted in one way or another, and who have had their hopes and aspirations raised and their economic condition improved, would have to be reckoned as a significant achievement.

People who have been taught how to grow their own grain, grind their own flour, and bake their own bread are infinitely better off than those who must continually look for bread from charitable sources. Of the hundreds who have received loans, material assistance, and technical advice, many are now able to use that knowledge and experience to be their own successful managers of land, labor, and capital.

6. Leadership Development

In describing the numerous projects that MEDA has given assistance to, the factor of supervision has frequently been mentioned. In six of the countries MEDA has employed well-trained experts in the fields of agriculture, economics and business as supervisors. Of the six MEDA field directors, two are nationals. Luis Correa from Colombia and Asrat Gebre from Ethiopia are now demonstrating excellent leadership qualities. They are supervising projects, developing educational programs, and being sensitive to future planning needs. To have found them, with the help of mission board personnel, and to have helped develop such individuals, is a gratifying achievement. It is a direction toward which MEDA hopes all of its foreign national programs can move. Lloyd Fisher, the executive director of MEDA, said in his 1975 annual report that "guidance is more productive than giving." This
applies to the field of supplying foreign leadership personnel as well as to supplying material goods.

7. Encouraging Mutual Aid Practices

It is an achievement that people on the fields in foreign countries have been taught to work together in cooperative units as well as individually and in families. There are many tasks in the area of community development which cannot effectively and efficiently be done alone. Such projects as land clearing and rice growing, where expensive machinery is required, can best be done cooperatively. MEDA has taught people in local areas to work together to develop natural resources as well as to learn the human satisfactions that come from close association and mutual dependence.

8. Miniature Mennonite World Bank

The MEDA philosophy and method of assistance in third world community development has been so well accepted that it has for all practical purposes become a miniature Mennonite world bank, or perhaps more accurately, a world mutual aid society. This is what Edgar Stoesz, former director of the MCC World Food Program, predicted in 1974 MEDA might well become. A subsidiary of MCC (Canada) called "Self-Help Associates" has been incorporated for the purpose of importing and marketing third world craft goods on a wholesale commercial basis. The purpose of this organization is to help people in economically underdeveloped countries by providing markets for crafts which they can produce but have ineffective means of distributing and selling for profit. It has been suggested that in the future the now widely established Self-Help programs, presently operated largely by Mennonite women, might well become an integral part of a widely expanded world Self-Help program.

9. Growth in the Art of Helping

One more of MEDA's significant achievements is its contribution to the growth of understanding and insight among its members of the complexity of helping others. It has also helped members to raise their vision of a world of need beyond local and provincial borders. It has caused them to examine their own and their country's value systems as they came in contact with new countries and new cultures in the areas where MEDA projects were underway. They discovered that Christian people, including newly converted Mennonites in other countries, may have differing value systems that are as firmly held as their own. They discovered for
instance in the developing countries, Christian people may not look upon "getting ahead at all costs" as of first importance; that in some foreign cultures Mennonites think it immoral and unchristian to repay MEDA debts when immediate and extended family members need food, clothing or medical help. In Tanzania, the Mennonite Christians raised sharp questions about the validity of charging interest for money borrowed from fellow Christians. They found no biblical basis for such a practice. Active participation in the MEDA program, therefore, has been an educational process as members wrestled with ethical implications of questions raised in trying to establish new businesses in foreign cultural settings.

The MEDA experience has also contributed to growth in compassion as Canadian and American businessmen are faced with the almost insurmountable problems that their foreign partners face when trying to establish successful enterprises with extremely restricted resources, little education, limited technical knowledge, and a scarcity of money. MEDA is thus contributing in a small way to a better understanding of some of the complexities of building world peace by a first hand acquaintance with people and living conditions in other cultures.

10. Attracting Foundation Support

Another achievement of MEDA is its success in attracting substantial amounts of financial support for its ongoing program from foundations and non-MEDA members. The most significant of these is the pledge of $60,000-$70,000 annually from the Hesston Foundation at Hesston, Kansas for support of the payment of professionally trained church leaders as field supervisors of MEDA projects. This generous and far-sighted on-going support enables MEDA to employ men of excellent character and professional training in Belize, Bolivia, Colombia, Ethiopia, Paraguay, Tanzania, and Zaire. These men not only provide supervision of the credit program but give leadership in the field of educational efforts in the form of seminars, weekend conferences, and demonstration projects. The lack of such supervision in the early years accounted for the high failure rate of many of the MEDA projects. It is highly appropriate that the Hesston Foundation, a subsidiary of a farm implement manufacturer, should support agri-business ventures in this development program.

A second example of foundation support for MEDA's program is the Schowalter Foundation of Newton, Kansas in its ongoing support of the Chaco Indian development program in Paraguay. It was Schowalter Foundation funds which enabled the Indian Service Board in the Chaco to plan and implement a carefully
worked-out program of resettling the Indians in villages and on small farms of their own. Without those annual contributions it is doubtful whether the present high level of development would have been achieved.

A third illustration of support that has come to MEDA is in the form of unsolicited funds. In September of 1972 the MEDA Executive Director received a surprise letter from a young Christian couple offering MEDA the use of $10,000 for a three-year period, interest free. The couple had saved this money to buy a house but while the young man was in graduate school he felt he did not need it for that purpose. The following quote is self-explanatory:

I feel uncomfortable about accumulating such a large (to me) sum, even while tithing. Perhaps a study of the Herald Press book, Let My People Choose, two years ago, aggravated this uncomfortable feeling. I’ve become convinced that having this money invested in the bank is not good stewardship. There it merely contributes to the excesses of American culture and its consumerism. Therefore I would like to make a portion of this capital available for economic development elsewhere. I trust that your organization will be able to find a way to do this.

This money was gratefully used and returned.

Another illustration of unsolicited money is described in the following excerpt from a letter received in January, 1978 from a totally non-Mennonite source as a memorial gift in memory of a friend who had learned of MEDA through one of its members and included MEDA in his will. The letter states:

I enclose a cheque for $156 as a memorial for Charles Nelson, who died in January 1978 and was very interested in the activities of your foundation. The memorial was contributed by...people all of whom are or were on the Political Science Faculty of the University of Missouri, and were colleagues of Charles.... Mrs. Nelson suggested that we provide the memorial to your foundation. She said that Charles admired the efficiency of your group and the effectiveness of your worldwide activities.

11. European Mennonites Forming Own MEDAs

In 1977, MEDA’s Executive Director, made an exploratory trip to Europe to look for additional financial support. MEDA is asked for help on many worthwhile projects but, because of limited resources, must turn some of them down. He contacted two sub-agencies under the Food and Agricultural Organization (FAO) of the United Nations. These organizations were Agriculture Credit Development and Africa Cooperative Savings and Credit Association, whose headquarters are in Rome. In Geneva, Switzerland, contact was made with the Ecumenical Church Loan Fund. In Amsterdam he met with representatives of the Dutch Mennonite welfare committees, one of which was the Interchurch
Coordination Committee for Development Projects.

To date no specific results from these contacts can be reported, but it is assumed that substantial support will be forthcoming from one or more of these private and semi-public voluntary agencies. The Dutch Mennonites, as indicated in Chapter One, have a long and illustrious record of providing generous assistance to suffering humanity over the centuries, whether among their fellow Mennonites or any other segment of humanity, such as aiding the Jews during World War II and helping Paraguay Indians to erect school houses. This inter-church agency mediates between Christian voluntary service agencies in developing countries and the Netherlands government which makes funds available on a matching basis to certain responsible private voluntary agencies.

The German Mennonites have recently manifested a keen interest in, and given financial support to, MEDA programs. In Frankfurt, Germany, a group of Mennonites, although not formally organized, have already contributed over $14,000 toward agricultural development in Belize. The group is presently establishing a central mechanical equipment and supply depot. The project plans also call for land clearing and farm equipment for the newly emerging Chaco Indian farmers. Included in the plan is provision for training Indians to care for, maintain and repair mechanical equipment.

Bringing European Mennonites into the MEDA program with their own considerable resources, plus those they are able to marshal from public and private sources, must be considered a major achievement. It reflects a vote of confidence in MEDA philosophy and program. It also enables MEDA to expand its program and assist hundreds of additional worthy poor to become increasingly self-supporting.
<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural projects</td>
<td>6</td>
</tr>
<tr>
<td>Agricultural stores</td>
<td>3</td>
</tr>
<tr>
<td>Boarding school</td>
<td>1</td>
</tr>
<tr>
<td>Book publishing</td>
<td>1</td>
</tr>
<tr>
<td>Bottling plant</td>
<td>1</td>
</tr>
<tr>
<td>Bus (public transportation)</td>
<td>1</td>
</tr>
<tr>
<td>Butcher shop</td>
<td>1</td>
</tr>
<tr>
<td>Carpentering</td>
<td>3</td>
</tr>
<tr>
<td>Cattle ranch</td>
<td>1</td>
</tr>
<tr>
<td>Clothing stores</td>
<td>3</td>
</tr>
<tr>
<td>Coca Cola distributorship</td>
<td>1</td>
</tr>
<tr>
<td>Co-op store</td>
<td>1</td>
</tr>
<tr>
<td>Creamery</td>
<td>1</td>
</tr>
<tr>
<td>Dairy farms</td>
<td>2</td>
</tr>
<tr>
<td>Farms</td>
<td>2</td>
</tr>
<tr>
<td>Farm credits</td>
<td>4</td>
</tr>
<tr>
<td>Fishing boats</td>
<td>3</td>
</tr>
<tr>
<td>Foundry</td>
<td>1</td>
</tr>
<tr>
<td>Hammer mills</td>
<td>16</td>
</tr>
<tr>
<td>Harnesses</td>
<td>3</td>
</tr>
<tr>
<td>Hatchery</td>
<td>1</td>
</tr>
<tr>
<td>Horses</td>
<td>5</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>1</td>
</tr>
<tr>
<td>Lobster boat</td>
<td>1</td>
</tr>
<tr>
<td>Machine repair shop</td>
<td>1</td>
</tr>
<tr>
<td>Oxen</td>
<td>10</td>
</tr>
<tr>
<td>Pharmacies</td>
<td>5</td>
</tr>
<tr>
<td>Photography shop</td>
<td>1</td>
</tr>
<tr>
<td>Piggery</td>
<td>1</td>
</tr>
<tr>
<td>Poultry production</td>
<td>7</td>
</tr>
<tr>
<td>Printing literature</td>
<td>1</td>
</tr>
<tr>
<td>Radio sales and repair</td>
<td>1</td>
</tr>
<tr>
<td>Salt briquet manufacturing</td>
<td>1</td>
</tr>
<tr>
<td>Sawmill</td>
<td>1</td>
</tr>
<tr>
<td>Secretarial training service</td>
<td>1</td>
</tr>
<tr>
<td>Sewing machine</td>
<td>1</td>
</tr>
<tr>
<td>Shoe factory</td>
<td>1</td>
</tr>
<tr>
<td>Stores</td>
<td>2</td>
</tr>
<tr>
<td>Tailoring</td>
<td>3</td>
</tr>
<tr>
<td>Tannery</td>
<td>1</td>
</tr>
<tr>
<td>Threshing combine</td>
<td>1</td>
</tr>
<tr>
<td>Tractors</td>
<td>2</td>
</tr>
<tr>
<td>Trucks</td>
<td>3</td>
</tr>
<tr>
<td>Wagons</td>
<td>4</td>
</tr>
<tr>
<td>Watch selling</td>
<td>1</td>
</tr>
<tr>
<td>Wood carving</td>
<td>1</td>
</tr>
<tr>
<td>Wood working shops</td>
<td>3</td>
</tr>
<tr>
<td>Bicycle rent/repairs</td>
<td>1</td>
</tr>
</tbody>
</table>

The above list is not exhaustive either as to number or type of projects undertaken. It is a selected list of representative projects scattered over 25 countries where "little people" have been given modest assistance in the form of loans.
Table No. 3**

The Mennonite Population in Countries Where MEDA has Projects
(Members Only)
(Mennonite World Handbook 1978)

<table>
<thead>
<tr>
<th>Country</th>
<th>Mennonite members</th>
<th>Country</th>
<th>Mennonite members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina*</td>
<td>1,230</td>
<td>Italy*</td>
<td>46</td>
</tr>
<tr>
<td>Belize</td>
<td>1,522</td>
<td>Kenya*</td>
<td>1,200</td>
</tr>
<tr>
<td>Bolivia</td>
<td>8,000</td>
<td>Mexico</td>
<td>13,783</td>
</tr>
<tr>
<td>Canada</td>
<td>88,500</td>
<td>Nicaragua*</td>
<td>290</td>
</tr>
<tr>
<td>Colombia*</td>
<td>1,325</td>
<td>Nigeria*</td>
<td>3,333</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costa Rica*</td>
<td>303</td>
<td>Paraguay</td>
<td>9,693</td>
</tr>
<tr>
<td>Ethiopia*</td>
<td>5,000</td>
<td>Philippines*</td>
<td>1,005</td>
</tr>
<tr>
<td>Ghana*</td>
<td>607</td>
<td>Somalia*</td>
<td>100</td>
</tr>
<tr>
<td>Guatemala*</td>
<td>320</td>
<td>Tanzania*</td>
<td>10,045</td>
</tr>
<tr>
<td>Haiti*</td>
<td>0</td>
<td>United States</td>
<td>224,684</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honduras*</td>
<td>750</td>
<td>Uruguay</td>
<td>769</td>
</tr>
<tr>
<td>India*</td>
<td>35,040</td>
<td>Zaire*</td>
<td>59,548</td>
</tr>
<tr>
<td>Indonesia*</td>
<td>34,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>501,793</td>
</tr>
</tbody>
</table>

**This table and Table 1 provide a quick over-all view of the geographical spread and the international character of the contemporary Mennonite Church. It is possible also to correlate the number of MEDA projects and the funds invested with the size of the Mennonite population in each country. There are no ethnic Mennonite settlements in 18 of the above 25 countries. This means that the 155,000 Mennonite church members in those 18 countries are the result of mission efforts.

*Have no ethnic Mennonite settlements.
Table No. 4
MEDA Membership Analysis by Geographical Locations and by Church Affiliation

<table>
<thead>
<tr>
<th>Location</th>
<th>Active Members</th>
<th>Former Members</th>
<th>Church Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OM</td>
<td>GC</td>
<td>MB</td>
</tr>
<tr>
<td>United States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>49</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td>Ohio</td>
<td>24</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>California</td>
<td>14</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Minnesota</td>
<td>9</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Iowa</td>
<td>9</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Virginia</td>
<td>5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Illinois</td>
<td>4</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Kansas</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Indiana</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Maryland</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Oregon</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Arkansas</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Nebraska</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Louisiana</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Michigan</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Wisconsin</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>32</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Manitoba</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>British Columbia</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Alberta</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>191</td>
<td>29</td>
<td>119</td>
</tr>
</tbody>
</table>
Throughout the previous chapters the author has been strongly supportive of MEDA philosophy and practice. If a defense is needed for what may appear to some like an uncritical report, it is that MEDA represents a private experiment in Christian mutual aid, or what might be called brotherhood economics. A group of private citizens assembled several hundred thousand dollars for the express purpose of helping needy people in distant lands to become more economically self-sufficient. The assembled money represented invested capital on which no personal returns were expected. Since MEDA was never a public or even a semi-public corporation in which widely contributed funds were used, there was no reason to account to the public for the use of its funds. It would thus be difficult to justify criticism of MEDA motives even if the end results of the experiment had not turned out to be successful, as most of MEDA’s efforts have.

Furthermore, this author cannot claim to be wholly objective, if that is humanly possible. He has had more than passing interest in MEDA from its beginning, and has been an active member for most of its 25-year existence. Nevertheless, there are critical comments to be made even in the light of MEDA’s own objectives. Critical comments at this point must therefore be understood as coming from within the organization and for the purpose of strengthening its greater future usefulness.

Previous chapters have indicated that MEDA has had both successes and failures. Projects have been considered successful if they have succeeded in achieving what they set out to do, namely help an individual, family or group to establish a business of their own. This means those being helped were able to buy and pay for their new enterprise while at the same time supporting themselves and families and, hopefully, making a useful contribution to church and community. Projects have been considered failures when the earnings did not meet operating costs, or when those in charge
appropriated funds for purposes other than the project for which they were intended.

**Partially Successful Projects**

Some MEDA projects were successful in some respects but unsuccessful in others. MEDA’s first project, the Sarona Dairy in Fernheim, Paraguay, is an example of this mixture of success and failure. It was and is financially successful in that the Paraguay partners bought and paid for the MEDA shares and totally own the dairy as a private business. Furthermore, it was highly successful as a model for other Chaco dairy farmers. It helped to raise the dairying standards throughout the entire Chaco.

The unsuccessful element of Sarona, in this writer’s opinion, is that it was bought not by the farmers living on the farm and doing the work, but by the former colony doctor and the colony veterinarian. These professional men own and operate Sarona as an economic investment. It has never been a MEDA objective to establish business enterprises as investment opportunities for professional people who are already in the colony’s highest income brackets. Thus Sarona Dairy has fulfilled only some of its intended objectives. There are those who do not see the present landlord-tenant arrangement as particularly undesirable, since the venture has been financially successful and has demonstrated its usefulness to the community regardless of ownership.

Whether the venture is considered highly or partially successful for the reasons suggested is of course a matter of opinion. It seems clear to this writer, however, that if all MEDA projects would eventually end up in the hands of non-operating or absentee owners rather than in hands of the working partners, it would greatly alter the motives, aims, philosophy and character of MEDA. The present arrangement would seem justified only if the actual farmers were unable to operate the dairy farm successfully.

**Does success enhance church and community support?**

One of the stated objectives of MEDA is to help people to help themselves in order that they may increase support for the local church. Whether or not this happens remains a matter of conjecture. So far as this writer is concerned the evidence that it does happen is limited. In this study recipients of aid definitely promised in their original agreement that if the venture was successful a portion of the income would be contributed to the church. These cases were noted in Colombia in projects under the Mennonite Brethren Mission Board and in Ghana under the Board of Missions and Charities of Elkhart, Indiana. In other areas no such conditions of loans are noted. It is probably assumed that
contributions will increase automatically if projects succeed.

The writer was told in Tanzania by veteran missionaries that a successful MEDA project partner, instead of supporting the church more generously, acquired an additional wife with his increased earnings. His successful business venture actually resulted in less interest in the church.

In Kenya the writer was party to a discussion about making a loan to a certain farmer to expand his sugar cane acreage. A member of the committee deliberating on the matter confided that the applicant was a good farmer but feared that if the loan would result in successful expansion it would also result in the acquisition of an additional wife rather than in greater support of family, church and community.

In this part of Africa the significance of the number of wives one has is somewhat comparable to the number of tractors one owns or cars one drives in North America. The number of wives is definitely an index of socio-economic status in every culture where polygamy is practiced. The Kenyan could rationalize his polygamous practice by calling it an economic investment. The second or third wife provides additional field labour and possibly bears children, which in time too become economic assets.

The ethical question raised here is one which can be raised about every MEDA project, namely, what is the end result of raising anyone's economic status? There is no satisfactory answer to this universal question. The most satisfactory solution seems to depend on motivation and values of those being helped. It is for this reason that one of MEDA's criteria for selection of applicants is that they be church members in good standing. Local committees familiar with the applicants are assumed to be able to assess their motives as well as their abilities and trustworthiness.

The use of sophisticated questionnaires among unsophisticated people

In an effort to get what is considered adequate information on which MEDA may make decisions regarding applicants for MEDA assistance, potential applicants have been asked to complete questionnaires that seem appropriate in North America but not in many other cultures. Where people are economically poor, have little or no formal education and know absolutely nothing about systematic record keeping, such questionnaires are utterly baffling if not frightening.

In Bolivia, applicants for assistance were asked to state which of three methods of business they would choose to carry on their business, namely proprietorship, partnership or corporation. Again applicants were asked about their "equity" in the project and whether it was private or corporate. There was no mention about
the possibility of a cooperative or even communal form of organization or type of equity. In inquiring about personnel, applicants were asked whether they were "skilled" or "unskilled." This suggested unawareness that in simple agricultural economies there are no such artificial distinctions and specializations made by the people themselves.

Concepts such as "depreciation," "overhead," "payroll expense" and "advertising" used in the questionnaires have no meaning to small, illiterate, struggling people who may have natural gifts and real potential as future "little businessmen," but are totally at sea when confronted with the sophisticated language of the industrialized, commercialized, computerized and systematized methods of doing business. Projecting an economic business analysis three years in advance is a tough assignment even for the sophisticated businessman. It is an absolute impossibility for the aspiring little businessman in a newly-developing country which MEDA is seeking to help.

Other comments made to the writer regarding critical observations about MEDA's efforts to be business-like in its projects were in regard to what factors weighed heaviest in the selection of applicants. The writer's informant asked whether MEDA judged projects only on their economic merits. He thought that consideration should be given also to such matters as personal need, goals and objectives. He felt that the applicant's project should be weighed as to its long-term benefit to the community rather than solely on whether it was likely to succeed financially. In other words, a project might be selected on the basis of its social benefits rather than on the profit shown on the balance sheet.

If the typical projects listed in Table 2 are examined regarding their social usefulness and benefit to the community one must conclude that the largest number would have to be given a high rating. It is perhaps not inappropriate to ask whether a carbonated soda bottling business or a photography shop deserve high project ratings in countries where hunger and poverty are ever present and funds severely limited.

These criticisms are easily corrected. They reflect a kind of innocent insensitivity to the importance of basic cultural differences. We all tend to use methods and tools to which we have become accustomed. It is in the clash of customs and cultures that we are made aware of differences. It is in such confrontations that we learn to "speak each other's language" and begin to make adaptations in our behaviour and accommodations to each other's traditions and cultures.

High Supervisory Costs of Few Widely-Scattered Projects

New projects have frequently been launched in distant foreign
countries as a result of specific interests on the part of a few members rather than upon the initiative of the entire MEDA membership at a duly called meeting. The procedure followed in such instances was for the delegation of two or three interested members to make an exploratory visit to the new area of expressed interest. Contacts were made with mission personnel and/or local Mennonite church leaders to assess economic needs and opportunities to establish MEDA projects. If suitable projects were found, initial funds were deposited and plans agreed upon. Thus a new project was launched. This action was reported to the MEDA executive at the next annual MEDA meeting and the project approved. This generally resulted in the formation of a new area committee composed of the interested MEDA members. The chairman of such a committee automatically became a member of the MEDA executive.

From 1953 to 1969 when an executive director was appointed, the regional committee chairmen were the liaisons between the project partners on the field and the MEDA members. There was no field supervision except what marginal attention MCC or missionary personnel might be able to give. It was also common for the committee chairman or one of the committee members to visit the project every year or two.

This was one method followed to establish projects in a number of the countries where MEDA finds itself today. Another method of organization which accounts for the widely-spread MEDA projects is the request for help from MEDA which came from Mennonite mission boards. In such instances the missions usually supplied one of their missionaries on a part-time basis and MEDA supplied the money to launch a project. With a great variety of projects scattered over many countries, and within single countries often at great distances from each other, coordinated MEDA supervision was impossible. Even with the employment of a full time executive director adequate supervision of projects could not be given. There was also the matter of expense of supervision. The cost of travel by the director and one or more MEDA members to the Orient, Europe and South America several times a year represented a high percentage of the capital investment within some of the distant countries. The criticism is not one leveled at the projects themselves but at the questionable stewardship of limited resources.

An illustration of this point is the projects undertaken in Indonesia, which is geographically on the opposite side of the earth from Akron, Pennsylvania (MEDA headquarters). A distance of approximately 10,000 air miles separates the two MEDA partners. The first exploratory trip by three or four MEDA members in 1968 ended without deciding on a project. The second delegation of three persons in 1969 decided to invest $6,000 in the salt briquet project in
partnership with several members of the Javanese Mennonite Church. A second project with the Muria (Chinese) Mennonite Church group was for the purchase of a bus to provide public transportation in an unserviced area. Four thousand dollars was invested in this venture. These two projects were the only ones in Indonesia from 1968 until 1976. During these years the executive director and members of the Southeast Asia Committee made several trips in addition to the original two exploratory journeys. The salt briquet project has been in difficulty throughout its existence, partially due to incompetent management but also to inadequate supervision and counsel from MEDA and the prohibitive distance between the MEDA administrative centre and the project.

There is no implication in the criticism that Indonesia did not need MEDA’s services. There were and still are great needs. There is also no criticism intended of the projects per se. The sole point of the comments here is to question the judgment of MEDA in establishing projects so far away that they cannot be serviced. This expression of brotherhood economics seems out of character with MEDA’s record of responsible stewardship.

**Partnerships: Premature Forms of MEDA Assistance**

The original MEDA idea of establishing partnerships with people who wanted help in becoming established in businesses of their own was a lofty idea. It was an attempt at minimizing the social distance between givers and receivers of aid. The partnership principle worked quite well as long as the partners all had a relatively common cultural, social and ethnic background. This means as long as the aid projects were among Mennonites familiar with contemporary business methods, with the nuclear family in contrast to the extended family, and with such moral and ethical values as industriousness, integrity, promptness in meeting obligations and regard for the behavioural norms of the religious group to which one belonged.

When MEDA extended its services to Africa, Asia, Indonesia and Latin America the partnership idea met almost immediate resistance. Theoretically the idea was accepted but in actuality it was rejected. Most MEDA partners in projects abroad did not understand the difference between being a borrower and a partner. They had no business experience which they could draw on to make partnership decisions. They resisted accepting responsibility for decision-making. They wanted MEDA to do the deciding. This is the way that many of the propertyless and poor small-scale farmers or labourers were accustomed to. It required major effort for MEDA representatives, aided by missionaries who often assisted MEDA, to teach local MEDA project committees to select
project, screen applicants, decide who gets loans and who will be denied them.

The shift from partnerships to traditional borrower-creditor relationships is hopefully a temporary one. There is encouraging evidence that since MEDA has been able to engage full time field directors to work with local committees, there has been remarkable growth in committee maturity. It is therefore realistic to believe that in the future the partnership idea can again be introduced. This would be significant both as a way of teaching business methods through practical experience and in representing a more equalitarian way of practicing brotherhood economics.

THREE STAGES OF MEDA DEVELOPMENT

In reflecting over the quarter century since MEDA was born and has pursued its objectives, there appear to be three clear stages of development.

The Launching Stage

The first stage might well be referred to as the launching years, the initial period which covers the first 15 years (1953-1968). These were years of exploration, of trial and error, of experimentation, of caution, of working with limited funds; of few projects and few people. They were years where assistance was provided to fellow Mennonites who, although settled in different continents, were of the same ethnic stock, members of the same church conferences and in many cases, blood relatives.

MEDA organization was extremely simple and decision-making often informal and spontaneous. MEDA business was carried on from the homes of the active officers. Telephone conversations frequently substituted for formally called meetings, although the executive officers usually met several times a year and the full membership had duly-called annual meetings. These meetings were at first held as adjuncts to the MCC annual meetings. The launching stage was a period of learning to walk before being ready to run.

The Expansion Stage

During the latter years of Stage I there was much talk about the need for a MEDA executive secretary to look after the many projects which had been undertaken gradually. From 1953-1968 there were 33 projects in operation in six different countries. It was clearly impossible for MEDA members, who were all active businessmen and heavily involved in local church and community
activities to do justice to their MEDA responsibilities in addition to all their other commitments.

On August 13, 1969, Lloyd Fisher, who had introduced and successfully supervised the credit program in Volendam, Paraguay, was appointed as full time executive director of MEDA. This clearly marked the dawn of a new period for MEDA.

The expansion stage is characterized by the move of the MEDA services to the Mennonite mission fields of Africa, Asia and Latin America. It introduced mutual aid to the more recent converts of newer Mennonite churches. This forced MEDA to face sociological and anthropological problems of having to deal with new customs and cultures. What worked well in Paraguay among traditional Mennonites could not be assumed to work equally well in the newly emancipated countries. Not only were the new MEDA "partners" living in far away lands geographically, they were also distant in terms of such cultural components as language, family structure, occupational activities, and political, educational and economic systems. This required MEDA to re-examine some of its basic assumptions and methods of administration.

The Maturing Stage

The third stage in the history of MEDA development has been labeled the maturing stage because it represents an organization with 25 years of experience with over 400 assistance projects; a membership of over 200 and over a half million dollars invested in small business ventures. MEDA, as a mutual aid organization with this background, should now be prepared to do some long-range planning. We might think of this third stage as covering the next 25 years which would take us into the early days of the Twenty-First Century. It is assumed that this period would benefit from the good and bad experiences of the past as guidelines in future program planning.

This writer sees the possibilities for tremendous growth of MEDA service in most of the countries where projects now exist. This growth could be the result of thousands of supporting and participating members instead of hundreds as at present. Growth would mean the accumulating of millions of dollars into the revolving investment fund. It would mean growth in the over-all personnel of trained and dedicated field supervisors and MEDA project committee members. But the additional trained supervisors would hopefully be largely nationals from the countries where the aid projects are in operation.

One must also assume that a part of the maturing stage will see the mutual aid principle embodied in MEDA more fully appropriated by the Mennonite churches in the various countries around the world. This would mean the gradual emancipation from
dependence upon the North American MEDA organization for all funds, and the increase of funds generated in each of the countries which need and use such aid funds. Unless the MEDA idea and method of sharing is transmitted to the people now receiving development funds, it will create only a sense of dependency, not one of self-reliance and economic freedom.

It is not unrealistic to assume that MEDA can and will increasingly move toward becoming a world mutual aid society. As such it would generate funds from many countries and use them in areas of greatest need as determined by economic and political circumstances. Like the Mennonite World Conference, it would in time be composed of representatives from all countries where Mennonites are located and would have people interested and qualified to participate in the mutual aid program. It is urgent that MEDA begin to think about such a world body now so that in the next two decades growth toward such an organization and program can take place naturally and gradually. This would call for conversations and discussions along these lines, followed by an over-all survey and assessment of the readiness for such steps in organization and program development.

The first steps toward such a world MEDA organization and program were taken in 1977 when Mennonite leaders in Switzerland, Germany and the Netherlands were approached about possible interest in supporting MEDA or undertaking assistance projects of their own. These steps were not focused on forming a world mutual aid organization but they might, nevertheless, lead toward such an end. As indicated in chapter four both Mennonites in Germany and the Netherlands are presently supporting assistance programs in countries abroad. One can readily visualize that before long the small Mennonite groups in Japan and Taiwan would also be ready to join a larger Mennonite world body for purposes of providing economic assistance in needy areas. The Japanese Mennonites have already expressed themselves to be in favour of doing this. In 1972 while in Japan I was asked to speak at two Mennonite fellowship meetings about mutual aid. I assumed my hosts were interested in applying for project assistance. To my surprise, I was told by these small, new Mennonite fellowships that they did not want to receive help but rather wanted to know how to go about helping their brethren in India with MEDA projects. They were not looking for help but were eager to learn from us the technique of sharing with others in need.

It seems proper to conclude this report on the first 25 years of MEDA experience in a world wide self-help program under the theme of the "maturing stage". It suggests an on-going process. The task is not completed. It will never be finished because Christian service is never completed. As some tasks are completed others are waiting to be begun. MEDA is an arm of the Mennonite
It is not a substitute for the spoken Word but an implementing of that Word through deeds. It is an organized effort to make the Christian Gospel visible. "Inasmuch as you did it unto the least of these...."

Observations re: The Over-all MEDA Program

An examination of the bottom line of Table I will quickly reveal the statistical measure of MEDA’s record of successes and failures. Out of 422 projects, 54 or 12.7 percent have been written off as financially unsuccessful. Stated in a positive way it means that 87.3 percent of the projects are classified as successful. Of the latter category 107, or 25.3 percent of the total have been completely repaid. This leaves a total of 261 projects still active. It is only common sense to assume that some of those still active will also fail. If we assume the same failure rate of the remaining 261 projects that are presently active, it would mean a total of 74 failures out of the total 422, or 17.5 percent. This would mean that 82.5 percent or 348 projects out of 422 would be considered successful. Or stated another way, better than four out of five projects have been or will be successful.

Remember that we are talking about an experimental period; about pioneering years when the organization was new, its ideas new and untried. Even MEDA members were at first strangers to each other. No one connected with MEDA had concrete experience in building partnerships, in making financial loans to total strangers in foreign countries. Furthermore, very few of those being helped to establish themselves in small business ventures had had any previous business experience. In addition to all the above conditions was the fact that the projects MEDA helped to start could not be carefully supervised. On both sides of the partnerships it was a trial-and-error situation.

The evidence forces one to the conclusion that MEDA’s first 25 years were relatively successful. Objectives were achieved to a large degree. Those MEDA members who had most responsibility for decision-making over the past 25 years would attribute such success as was achieved to the grace of God and the leading of the Holy Spirit, not to any wisdom they possessed. The MEDA members are without exception men who are praying Christians. They would unanimously agree with the poet, Tennyson, that "More things are wrought by prayer than this world dreams of."

MEDA members have repeatedly given evidence of their teachableness, their willingness to acknowledge mistakes and accept criticism gracefully. Disappointments over project failures never resulted in bitterness or in recriminations. In cases where project partners absconded with MEDA funds there was never any attempt to take legal action in an effort to recover losses.
Throughout its 25-year history, MEDA has attempted to be sensitive to the needs, wishes, feelings and economic circumstances of those with whom it entered into an assisting relationship. When difficulties developed between MEDA and any of its partners, every effort was made to settle the difficulties through direct personal negotiation and as far as possible in the spirit of going the second mile; of bearing a loss rather than inflicting it on others. The inter-personal relations record between MEDA and its many partners is one for which to be humbly grateful.
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J. Winfield Fretz has concerned himself with mutual aid and economic development for over 40 years, beginning with his M.A. thesis (1938) and his Ph.D. dissertation (1941) at the University of Chicago.

As a Sociology professor at Bethel College (1942-63) and at Conrad Grebel College (1963-), he continued to be actively interested in promoting mutual aid. Prof. Fretz has written on Mennonite settlements in Mexico, Paraguay, and Canada and has taught such courses as "Utopian Communities," "Issues in Third World Development" and "The Economics of Cooperatives."

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About the Book

The MEDA Experiment records the 25-year history of Mennonite Economic Development Associates.

For most of the post-war period, a growing group of Mennonite business people and lay professionals have applied their resources, together with interested partners, to help develop agriculture, industry, and small businesses in various communities of the "developing countries."

The MEDA Experiment tells of their motivation, their vision, and their various projects. Both success and failures are reported and some suggestions are made for the future of MEDA.

The author has researched MEDA records and visited MEDA projects in Africa, Asia, and Latin America in 1972 and 1977. He also speaks from his own involvement as a MEDA member.