The Mennonite Industrial Dynasties in Alexandrovsk

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From Village to City

As a result of successful Russian military campaigns against Turkey in the second half of the eighteenth century, the Tsarist Empire was able to conquer a number of valuable territories. In this respect the government faced at least two tasks: to provide a defense of the new borders; and to develop the new lands and integrate them into the country's economy. In order to protect the southern territories from Turkish threats the government started to build a fortification line consisting of seven city-fortresses. The city of Alexandrovsk, founded in 1770, was only one link in the so-called "New Dnieper Fortification Line."

In order to undertake a peaceful development of the new territories, the Russian government initiated a complex colonization program that emphasized agrarian settlements. The centers of Mennonite settlement in Russia were of that nature. At the end of the eighteenth century, the Khortitsa Mennonite Colony, consisting of fourteen agrarian villages, was founded close to Alexandrovsk. Various groups of immigrants such as craftsmen and entrepreneurs who wished to settle in urban centers were given economically beneficial terms of settlement. But most
Mennonites, following the basic principles of their faith, preferred to live in agrarian communities, sharing with their fellow Mennonites the challenges of adaptation to the frontier during the early settlement period. In fact for a long period of time not a single Mennonite resided in Alexandrovsk. Their own villages were the centers of craft and trade for the Khortitsa Mennonites during the first third of the nineteenth century.

Later, nearby cities did become magnets for Mennonites, and not only as trade and business centers, but also as areas that promised economic growth. In the 1830s the first Mennonite entrepreneurs had moved to these nearby urban centers of Berdiansk, Melitopol, Orekhov and Tokmak. Surprisingly, Alexandrovsk, located close to Mennonite settlements attracted the same economic interest only later. It would not attract permanent Mennonite residents until a set of general preconditions had been established. These pre-conditions included: 1) the provision of legal possibilities for such resettlement to urban centers and for the conduct of entrepreneurial activities there; 2) an increase in the number of businessmen in the Mennonite villages and an accompanying growth of economic competition within those villages; 3) the transformation of nearby cities into highly developed commercial centers, giving the Mennonites wider prospects for business activity.

The first of these preconditions, the legal situation, came about slowly. At the start of colonization authorities had carefully controlled the region within which Mennonite businesses could expand. Because the state was above all interested in the development of new agrarian settlements, migrants to the cities were given only a relatively short period of exemption from taxes, 10 years for those living in provisional cities, and only 5 years for those residing in Moscow, St. Petersburg, and Prebicals. For settlers who wanted to establish flourmills and factories within the agrarian settlements certain privileges were envisaged. Later, specific categories of immigrants were informed that they could build enterprises, but no less than 64 kilometers away. Thus, until the 1850s colonists were permitted to construct their enterprises mainly in their agrarian settlements. That decade, however, saw changes to an 1812 law that had stipulated that the most prosperous colonists could operate their businesses outside of agrarian colonies, including in cities, but only on the condition that they take the legal status of “merchant.” In 1857 the “Statutes for Foreign Colonies in the Russian Empire” changed this requirement, opening up unlimited possibilities for entrepreneurs to freely obtain the status of “merchant,” acquire any private property, and form a variety of industries in any city. These legal statutes, then, opened up prospects for the use of capital accumulated by Mennonite entrepreneurs within the settlements. They released the entrepreneurial energies of
Mennonites that previously had been contained within the settlements. The effectiveness of this legislation was ensured by the availability of a social group that was prepared to use these rights.

The economic development of the Khortitsa villages was a second factor in the beginning of Mennonite business in Alexandrovsk. Khortitsa’s development had been accompanied by a transformation of Mennonite society, one that saw an increase in the number of entrepreneurs and their emergence as a social group. In the early 1840s, some 48 percent of all householders were tied to craft and business activities; these included 44 windmills, 26 horse-driven mills, 31 smiths and 8 hulling mills. By the early 1860s the Khortitsa settlement already had 102 trade and industrial enterprises whose owners constituted the basis of a special social group in Mennonite society, a group of entrepreneurs. These enterprises provisioned both the villages and neighboring districts. Yet Mennonites, who wanted to start their own businesses, faced stiff market competition, and only resettlement into economically less developed zones such as Alexandrovsk allowed them to overcome this competition.

The third precondition for the rise of urban Mennonite entrepreneurship was the transformation of an economically underdeveloped region into one that featured commercial and communication centers. At first, Alexandrovsk and the surrounding Mennonite settlements were at different stages of economic development. The Mennonite villages had come to constitute a special economic area whose distinctive features included free labor and free market relations. These factors positively influenced the rate of the Khortitsa settlement’s economic growth and prosperity during its first half-century. By contrast, Alexandrovsk remained a small settlement and an insignificant trade center for a long period of time. According to modern evidence “it did not achieve any success in terms of population nor economical growth” and looked more like a village than a town. Few Mennonites were attracted to Alexandrovsk: the first Mennonites willing to move into Alexandrovsk, Peter Reimer and Jakob Bartel according to the 1809 records of the Openkunski office, were welcomed in the city; but they remained residents only until 1816 and their names were never mentioned again. In 1824 the population of Alexandrovsk still was only 1,716 people and there was only one market place, one hotel and a tavern. By 1859 the population of the city had increased to 3,100 and the number of houses had risen to 428; five years later, in 1864, the population had increased to 4,354. In that year, Alexandrovsk enterprises consisted of little more than one fat rendering plant, a brick plant, a tobacco factory, two windmills, one treadmill, and fifteen stores. Khortitsa, on the other hand, had three vinegar plants, four brick plants, four creameries, a brewery, several winery factories and twelve stores. The most highly-
developed entrepreneurial centers in Khortitsa settlement, the villages of Khortitsa, Einlage and Schoenwiese, supported five brewery factories, two brick plants and a few mechanical shops. These enterprises satisfied all Mennonite needs. And although Mennonite villages were connected to Alexandrovsk by trade roads, it remained less attractive as a trade center for Mennonites than did other cities like Ekaterinoslav, Berdiansk and Odessa. If Mennonites required few things from Alexandrovsk, Alexandrovsk residents required few items from the Mennonites, and handcrafted goods of the Mennonites that might have been attractive were so expensive they were usually not sold at the Alexandrovsk fairs. Industrial and trading capital influenced Alexandrovsk life minimally. The Mennonite villages were economically more developed than Alexandrovsk.

This situation changed radically in 1873 when the railway line was laid from Lozovo to Sevastopol. One of its branches connected Alexandrovsk and the Dnieper River dock. The railway played an important consolidating role in the development of market relations in the city and adjoining uyezd districts. The process of building the railroad, which took more than a year, opened up the prospect for further development of the city. Indeed, during the ten year period in which the government discussed the railway project Alexandrovsk had been overrun by land speculators who eagerly bought and sold pieces of land on the prospect of regional economic growth.

The railway was responsible for the first permanent Mennonite residents in Alexandrovsk. In the early 1860s the first Mennonite settlers had appeared in Alexandrovsk, but their number was small. The 1867 Lists of Real Estate Holdings counted only 5 of 56 foreign colonist households in Alexandrovsk as Mennonite. Still, these first Mennonites made a significant impact. The first flourmills were founded by Andreas Loewen, whose enterprise cost 2,000 rubles, by Andreas Janzen, who owned two businesses valued at 4,500 rubles, and by Jakob Janzen, who owned two businesses valued at 7,500 rubles. These Mennonites became monopolists in the flourmill industry of Alexandrovsk. In the 1870s Alexandrovsk's Mennonite population grew, as did the businesses owned by the Mennonites. Mennonites owned a paint store (Jakob Janzen), a windmill (Johann Siemens), a carpenter's workshop (Gerhard Bock), two blacksmiths (Johann Peters and Nikolaus Dyck), a steam flour mill (Peter Isaak), a stonemason's shop (Gerhard Bock), a grocery store (Jakob Janzen), a pub (Johann Warkentin), and an inn (Jakob Janzen). Owners of these enterprises had purchased merchants' certificates of the Second Guild, granting them the right to own large stores and industrial establishments.

This was the first wave of the Mennonite entrepreneurs. From a financial point of view, they were not as prosperous as those who
followed. For example Gerhard Krahn's business was worth only 3,000 rubles, Andreas Janzen's only 4,000 rubles and Jakob Janzen's only 6,000 rubles. By comparison, one of the flour mills in Alexandrovsk owned by a second-wave Mennonite entrepreneur - Niebuhr - cost 24,000 rubles to build and was eventually evaluated at 131,000 rubles. Moreover, the first Mennonite group's enterprises were rather small and equipped with old technologies, the exception being Peter Isaak's steam mill. And although the first Mennonite enterprises benefited from a lack of any real competition, most had only a limited prospect for progress. Despite their willingness to operate their business for a long period of time, they did not have the resources to expand their activity and re-equip their mills. In the context of industrialization they were almost doomed. By 1912 only a few of them were still in operation.

The second wave of Mennonites benefited from a growing Alexandrovsk. In 1874 a new important railway line was built from Alexandrovsk to Melitopol and from Melitopol to Sevastopol, and then in 1898 rail traffic was opened between Chaplino and Berdiansk. By the end of the century, the Alexandrovsk uyezd had thus been covered with a network of rail lines and the small city had become an important railway center with direct access to the Crimea and to Moscow. To ensure Alexandrovsk's importance as a transportation center, intensive work to enlarge the port at the mouth of the river Mokraia-Moskovka was undertaken in the last years of the century. According to the records of the Alexandrovsk City Duma (which was in charge of the city after 1872) 512 ships, 105 ferries and 20 rafts arrived at the city port in 1900. Because Alexandrovsk was able to support river trade as well as a system of railway transportation, it became the largest grain-marketing center in the region. In addition, by 1900 the city had 315 stores and 439 merchants.

Mennonites now began to locate in Alexandrovsk in larger numbers. In 1895 Alexandrovsk had eight steam mills, and five were owned by Mennonites: that is, by Gerhard Krahn, Hermann Niebuhr, William Janzen, Victor Janzen, and Bernard Klassen. Representatives of the Niebuhr flourmill dynasty purchased two of the above-mentioned mills from local Jews, one from Ravid Shapannski, and the other from two partners, Mihelson and Kaminsky. Although at the end of the 1890s Khortitsa and Schoenwiese remained the base of the Niebuhr operations, the Niebuhrs themselves had settled in Alexandrovsk. Other Mennonite enterprises were also established in Alexandrovsk: a brick and dairy plant by J. Janzen, a grain trade company by Krahn and Kroeger, and a grain storage facility by J. Petkau. In 1898 Abraham Harder built a fabric factory, with production exceeding 18,000 rubles a year. Soon 13 out of 75 business establishments in Alexandrovsk belonged to Mennonites.
By 1902 the city had undergone significant transformations. The population had increased to 35,000 people and there were now 8 steam mills, 7 factories producing agricultural machines, 10 large and 30 small-sized mechanical workshops, several beer and soap factories, 5 brick-tile factories, and 350 stores and small shops. The industrial development of the city caused its budget to rise to 111,000 rubles, a rise from 16,000 rubles in 1873. The weight of goods transported increased to 25,000,000 pounds, reflecting the positive affects of the Kursk-Kharkov-Lozov-Sevastopol railway branch. For Khortitsa businessmen Alexandrovsk had become a useful neighbor and a competent commercial partner.

With the growth of Alexandrovsk, even those Mennonites who remained in Schoenwiese gained advantages. Mennonite industrialists, for example, benefited from the Ekaterinoslav railway's tie to coal and ore deposits, especially to the Donetsk coal mines to the east. It was a significant deposit, for from the end of the 1880s to the 1900s the production of coal in Donetsk increased 112 times and accounted for 68.1% of total coal production in Russia. Not far to the west, in Krivoi Rog, lay large reserves of iron ore. Thus, the Mennonites in nearby Schoenwiese had an extremely favorable geographical location for the development of the machine-building and metallurgical enterprises. Aside from these links to raw materials and to Alexandrovsk's position as a significant transportation center, Mennonite businessmen benefited from the city's large population, one that provided a large work force for the enterprises. These factors allowed Lepp and Wallmann to establish their second industrial enterprise in Schoenwiese in 1886 and Kornelius Hildebrand and Abraham Koop to do the same in 1892 and 1889, respectively. Together, these three companies employed over 400 people and produced 500,000 rubles of manufactured products per year. In addition, Niebuhr was in possession of three mills: the last of the three mills built in 1894 was the pride of his dynasty, for it was equipped with new technology that increased its productivity by 2.5 times and brought in 360,000 rubles per year.

Although it was located near Alexandrovsk, Schoenwiese still remained for the Mennonites a native place. They were encouraged to remain there by regulations meant to stimulate further economic development of the less populated regions (mills, dairies and brick factories outside of the cities were not taxed). It is not difficult to see the economic advantage Mennonite businessmen in Schoenwiese derived from this arrangement.

The two distinctive economic centers, Schoenwiese and Alexandrovsk, were thus engaged in creative interplay. Mennonite entrepreneurs were the common link in the economic development and interaction of these two places; they created the fundamental
conditions for the amalgamation of these neighboring settlements. The large enterprises of Alexandrovsk founded by second-wave Mennonite entrepreneurs were established with sufficient capital to enlarge their enterprises. Their owners were also ready to use new technology and new ways of investment. These factors made them competitive in Alexandrovsk's economic zone. They were competitors not only for the local Russian and Ukrainian entrepreneurs, but also for the older first-wave Mennonites. The role of the Mennonite enterprises in the economic development of the Schoenwiese-Alexandrovsk area in 1902 is apparent from the information in this table.29

### Table 1

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Location</th>
<th>Total in City (enterprises)</th>
<th>Annual Production</th>
<th>Mennonite Enterprises (in rubles)</th>
<th>Their Annual Production (in rubles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fabric Factories</td>
<td>Alexandrovsk</td>
<td>1</td>
<td>18,000</td>
<td>1</td>
<td>18,000 (100%)</td>
</tr>
<tr>
<td>Machine-Building</td>
<td>Schoenwiese-Alexandrovsk</td>
<td>6</td>
<td>752,000</td>
<td>3</td>
<td>470,000 (62,5%)</td>
</tr>
<tr>
<td>Mills</td>
<td>Schoenwiese-Alexandrovsk</td>
<td>7</td>
<td>1,910</td>
<td>5</td>
<td>1,010 (52,8%)</td>
</tr>
<tr>
<td>Creameries</td>
<td>Alexandrovsk</td>
<td>1</td>
<td>3,000</td>
<td>1</td>
<td>3,000 (100%)</td>
</tr>
<tr>
<td>Breweries</td>
<td>Schoenwiese</td>
<td>1</td>
<td>24,000</td>
<td>1</td>
<td>24,000 (100%)</td>
</tr>
</tbody>
</table>

### The Mennonite Dynasties in Schoenwiese and Alexandrovsk

The leading positions in Schoenwiese and Alexandrovsk belonged preeminently to the richest Mennonite entrepreneurs of the flourmill and machine-building dynasties; they occupied the first place in the Mennonite hierarchy of the businessmen. The direction of development for these types of industries, which took root in Russia much later than in Europe, was toward significant prosperity. Competition with foreign entrepreneurs induced these firms to constantly improve their technology and increase investments, attain specific knowledge and education and hone their managerial skills. With all of these features came the appearance of the first closed joint-stock companies.

The foremost of these mammoth Mennonite companies, the trading house of H. Niebuhr and Co., was founded in 1895.30 The owners of the trading house were representatives of two related family dynasties,
the Niebuhrs and the Dycks. The owners also included the matrimonial descendants of the Niebuhr dynasty who were married into the Lepp-Wallmann and Koop families. In the early twentieth century the firm owned three large mills: two in Schoenwiese, with an annual production valued at 541,100 rubles, and one in Alexandrovsk, with an annual production of 225,800 rubles.\(^{31}\) By 1907 when the trading company was transformed into a joint-stock company it owned no fewer than 11 mills, and in 1915, after the amalgamation of several mills, there were eight.\(^{32}\) In 1906 Hermann Niebuhr was killed while being robbed and the company was placed under the management of his successor Jakob Niebuhr.\(^{33}\)

Other large companies were also established. The partnership company of Å.J.Koop Agricultural Machines and Tools was founded in 1888.\(^{34}\) This company owned three factories, one each in Khortitsa village, Einlage and Schoenwiese. A little later, in 1907, Abraham Koop and August Helker founded the cast-iron factory of Koop and Helker. Its role was to supply the needs of the factory itself and of the neighboring enterprises.\(^{35}\) On June 1, 1902 the trading house K. Hildebrand Sons and Priess was founded: it owned cast-iron and machinery factories in Schoenwiese and Khortitsa.\(^{36}\) The annual production of the Schoenwiese factory alone was about 80,000 rubles a year.\(^{37}\) Mennonites—Peter and Kornelius Hildebrand and Peter Priess—occupied the leading positions in this joint-stock company.\(^{38}\) On July 3, 1903 the enterprise Lepp and Wallmann acquired the status of "trade and commercial joint-stock company." At the time of its founding the capital of this enterprise was 1,200,000 rubles and it owned three factories, one each in Khortitza, Schoenwiese and Pavlograd.\(^{39}\) Its total value was 1,150,000 rubles.\(^{40}\) The shares of the enterprise were distributed between the successors of Peter Lepp and Andreas Wallmann and representatives of the Niebuhr family who had married into the Lepp dynasty. The general manager since 1879 had been Johann Lepp, the son of Peter Lepp. As a result of his successful management the enterprise became well known throughout Russia, and Lepp and Wallmann became the largest Mennonite enterprise in Russia in the production of agricultural machinery. The value of the Schoenwiese plant's annual production was 220,000 rubles.\(^{41}\)

The profits of the Mennonite enterprises were so extensive that they were attractive to Alexandrovsk politicians as a source of additional income for the city. This fact, in addition to their desire to extend the borders of the city, led city fathers to incorporate Schoenwiese into Alexandrovsk on June 12, 1911. Although the process of amalgamation lasted more than four years amidst complaints and disputations from village leaders, the agreement of incorporation proved to be extremely favorable for the Mennonites.\(^{42}\)
An analysis of the constituting documents of the joint-stock companies owned by Mennonites also permits conclusions regarding accompanying changes in the Mennonite community, that is, the formation of a Mennonite trading and industrial elite. As the industries grew, they acquired less private and more collective types of ownership. By the turn of the century a large Mennonite monopoly of well-defined dynasties with clan-like characteristics had developed.

The clan system was an essential characteristic of Mennonite entrepreneurship in Alexandrovsk. It assured the success of Mennonite businesses. At the base of this system was the intention to strike roots into new districts, to adapt to the changing economic and national situation in this zone and to be recognized by the local powers and local population. The specific mechanism of inter-clan actions and relations, formed through inter-clan marriages, shaped the way in which financial relations were regulated in the joint-stock companies. These inter-clan relations created the closed character of Mennonite entrepreneurship. The clan system saved the Mennonite enterprises in the face of economic competition.

Similarly, it should be noted that the dynasty marriages noted above had been concluded not only to ensure reliable partnerships, but also to avoid any outflow of capital from the enterprises. This was guaranteed by the Niebuhr family's central position in the clan system. The family of Hermann Niebuhr included four daughters, Justina, Maria, Katherina, and Sara. They were married to the richest representatives of the trade-production dynasties of Johann Lepp, Andreas Wallmann, and Abraham Koop. Meanwhile Abraham Koop's daughter became the wife of Jakob Niebuhr. The dynasty lines were interlaced and thus the capital of these families was joined in a common endeavor. An analysis of the distribution of shares in joint-stock companies shows this process clearly.43

Table 2

<table>
<thead>
<tr>
<th>Families</th>
<th>Joint-stock Company Niebuhr and Co. (shares)</th>
<th>Joint-stock Company Lepp and Wallmann (shares)</th>
<th>A.J. Koop (shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1907/1914</td>
<td>1903/1915</td>
<td>1910</td>
</tr>
<tr>
<td>The Niebuhrs</td>
<td>647/674</td>
<td>3/66</td>
<td>2</td>
</tr>
<tr>
<td>The Lepps</td>
<td>237/286</td>
<td>552/1700</td>
<td>-</td>
</tr>
<tr>
<td>The Koops</td>
<td>469/464</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>The Wallmanns</td>
<td>237/-</td>
<td>320/590</td>
<td>-</td>
</tr>
<tr>
<td>The Dycks</td>
<td>284/270</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>120/42</td>
<td>22/20</td>
<td>4</td>
</tr>
<tr>
<td>Total shares</td>
<td>1,994 /1,742</td>
<td>1197/2400</td>
<td>80</td>
</tr>
<tr>
<td>Capital (rubles)</td>
<td>1,994,000/2,000,000</td>
<td>1,200,000/2,400,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>
Although the shareholders of the Mennonite joint-stock companies were business people who had been personally invited to become shareholders, the joint-stock system was an especially progressive model of economic organization. It permitted the easy location of additional financial resources and their use for the shareholders' general welfare and mutual benefit. In 1907 the founders of Niebuhr and Co., the heirs of Jakob Niebuhr and J. Dyck, shared their enterprise with Johann Lepp, Andreas Wallmann and Abraham Koop, each of whom had transferred all of their cash and real estate (totaling 1,994,000 rubles) to the company. The capital of the company consisted of 1,994 shares (with 373 votes) which were distributed among 29 participants. Most of these shares were under the control of the Niebuhrs (J.H. Niebuhr, A.H. Niebuhr, and Katherina Niebuhr). Together they had 647 shares and 108 votes, about one third of the total. The Lepps, that is, Justina H. Lepp and Johann Epp, had 237 shares with 47 votes. The Koops had 469 shares with 93 votes, making their position in the company more favourable than the Lepps. The Koop position, however, was tempered by the fact that the Wallmanns possessed 237 shares with 47 votes and that the Lepps and the Wallmanns were close partners. In general, the leading positions in the company were held by the close heirs of Hermann Niebuhr. The chair of the company, Jakob H. Niebuhr, had nearly 30% of the shares, 600 in total. Other influential persons were the daughters of Hermann Niebuhr, who had become members of other dynasties through marriage; these married daughters were Justina Lepp and Katherina Koop. Dividends were paid to their new families; in 1911, for example, the Lepps received 5,451 rubles, and the Koops, 10,787 rubles. Although the resources were not significant, they nevertheless supported families in periods of crisis, such as during the business year of 1910-1911 when machine-building factories made no profit because of reduced sales. So efficient was the structure of the corporation, that the constituting documents regulated the terms of activity of Niebuhr and Co. for 36 years. It was one more confirmation of the significance of the inter-clan links.

It is clear that huge labor resources and financial means were accumulated in Schoenwiese. Alexandrovsk, on the other hand, had few financial establishments. Yet, if such large enterprises, as well as smaller plants, were to function effectively, they needed a circulation of capital. For this reason the bank Niebuhr and Co. was founded. Thus the Niebuhr dynasty also became the financial heart of the wider clan. They were the link most interested because their business constantly grew, requiring investments to build on trade relations with Eastern European countries where their flour was distributed.

Despite these financial interactions, the dynasties were independent in making business decisions. The Niebuhrs personally owned the sanitorium Alexandrobad founded in 1904. The Koops
may have invited J.H.Niebuhr as shareholder in their machine-building company, but they had their own investment in another trade enterprise – "Harvest" – and their own association with the Gan Factory in Odessa. And although Justina (nee Niebuhr) Lepp and Maria (nee Niebuhr) Wallmann were among the 11 shareholders of Lepp and Wallmann, these Niebuhr daughters had an insignificant part of the shares; in the interests of the dynasty, the sons of Lepp and Wallmann had the best financial position.

The Mennonite dynasties established in Alexandrovsk were the oldest, existing there for three to four generations and their leaders seemed to view themselves as a specially favored group. Nevertheless, they continued to recognize their community responsibilities in the form of mutual aid and charity. In Russia the accumulation of capital had been regarded as contrary to the ethics of Mennonite property ownership. Even in the sixteenth and seventeenth centuries, when the Mennonite faith was initially shaped, the redistribution of property had not often been present in their teaching. Still, a partial redistribution had its place in the form of charitable activities and donations.

Public activity was one of the most important requirements for the clan's survival in a multi-ethnic environment. Although this activity did not require financial investment, it did guarantee the government's loyalty to Mennonites enterprises. Mennonite businessmen were members of local charity societies: for example, the society that supported the pupils of the Alexandrovsk Women's Grammar School included Jakob Niebuhr, Abraham Koop, Johann Lepp, and Andreas Wallmann; a society of support for the students of Alexandrovsk Technical College included Johann Lepp and Jakob Niebuhr; and a society of assistance for children's physical training included Abraham Dyck. Other businessmen, such as Johann Lepp, grandson of Peter Lepp, had participated in various guardianship committees since 1893. For example, he gave to the Alexandrovsk Mechanical College 1,600 rubles, 5% of which was allotted to a "grant fund," and in 1909 he established a grant in support of education in the name of Peter Lepp. Found among the factory account books are other records of gifts for the building of a local church and military hospitals, and for the provisions of assistance for war widows.

This public participation did not require the expenditure of much money and time; however, the investments into Mennonite community needs were more substantial. The important financial donations of the Mennonite dynasties were directed towards the educational system and the forestry service: in 1910 Lepp and Wallmann offered to support the Khortitsa Central School (Zentralschule) with 464 rubles and the Mennonite-run Forestry Service (Forstei) with 1,060 rubles; in 1914 the Niebuhrs supported these projects with 372 rubles and 850 rubles, respectively, and Katherina Wallmann herself donated 10,000 rubles.
for the building of the architecturally distinguished Rosenthal Madchenschule; in fact, the account books of every Mennonite enterprise had a debit line showing support of the Central School. Other gifts were directed to hospital building. The first hospital in Khortitsa was opened by Lepp and Wàlman in 1910. The mental hospital Bethania was a joint creation of Mennonite entrepreneurs who had created a charity fund drive headed by Johann Lepp.56 The Lepps equipped this hospital with agricultural tools and machines, and received official recognition for their efforts from the Ekaterinoslav Zemstvo.57

Public service also occurred when the leaders of the Mennonite dynasties became members of the main Alexandrovsk City Council, the Gorodskaià Duma. Gerhard Krahn was the first Mennonite to get this duty, serving for the period 1885-1889.58 Abraham Dyck, the second Mennonite deputy, served from 1907-1912.59 In 1912 Johann Lepp, Abraham J. Koop, Jakob Niebuhr, Peter Priess, and Gerhard Janzen were elected to multi-year terms.60 Then Peter P. Priess and Abraham A. Koop took up these duties in 1917, but their activities were halted by the revolutionary events.61 Until 1912 the public service of the Mennonite deputies was not very proactive. Being businessmen and busy people, Gerhard Krahn and Abraham Dyck often missed sessions and even got reprimanded. By contrast, the deputies who were also clan representatives were the most active on the City Council. They were especially active in solving those questions that concerned the interests of the clan. Without any doubt their public activity corresponded with clan benefits, but it did not overlook the city's interests. For example, the Mennonite deputies were very active in the project of building the new railway line from Saratov to Alexandrovsk, the widening of the Alexandrovsk harbor and the building of the city's grain storehouses.62 The building of the railway line opened up access to the Povolzhie regional market for the machinery-building factories and also connected Alexandrovsk to Halbstadt. The grain storehouses, built at the expense of the city, were beneficial to the Mennonite-dominated flourmill industry. The public activity of the Mennonite dynasty leaders won wide recognition and one year Jakob Niebuhr and Andreas Wallmann were awarded the title of "Hereditary Honorable Citizen."63

Entrepreneurship greatly influenced the process of modernization in the Mennonite communities. Women, for example, were an important factor in the expansion of Mennonite entrepreneurship. Katherina Jantzen, the wife of Jakob Jantzen, was in charge of a dairy plant.64 Margaritha Harder, who inherited a textile factory, was in charge of its production after 1904.65 Maria Hermanovna Lepp, Justina Hermanovna Lepp, and Eva Henrikhovna Lepp were actively involved in managing the production in their enterprises from 1912 to 1915,
each holding technical positions at the Lepp and Wallmann factory and each receiving well deserved wages.66

From the very beginning of their emergence, Mennonite entrepreneurs were the Mennonite representatives in the wider society. The Mennonite settlements, founded in Russia, were based on agrarian economic traditions that developed into a closed microcosm. The entrepreneurship that expanded outside of colony boundaries was the catalyst for mutual integration and mutual recognition in the wider world. The Mennonite businessmen acquainted the wider population with features of Mennonite community life. For the inhabitants of the Mennonite settlements, the businessmen opened a window onto a new world and revealed a familiarity with it. They demonstrated that it was possible to be successful not only in, but outside the congregations. They were the first to reject the ethnic stereotypes they had inherited as simple-living Mennonite sectarians. The financial capital accumulated by the Alexandrovsk Mennonites was used to raise standards of living and individual household projects were undertaken without any consideration of simplicity. The private residences of the Lepps, Abraham Koop, and Hermann Niebuhr, for example, were built at great expense and with an eye to luxurious comfort. The businessmen also were proponents of technical innovations that promised to shape a better life. Their houses, for example, were equipped with electricity and telephones, and one of them, Gerhard Jantzen, even arranged for car traffic from Khortitsa to Schoenwiese, through Alexandrovsk.67

The activity of the Mennonite entrepreneurs was determined by traditional ethnic traits—diligence, persistence, and responsibility for business — but also by great professionalism. This culture was reflected in a special style of business management. The boards of the factories were closely connected to their regular customers, a tradition generated at the early stages of the businesses' development. The high educational level of the entrepreneurs informed their opinions about the educational needs of their workers and the requirement for cultural growth. Workers at the Lepp and Wallmann factory were even provided with health insurance. The firm built a hospital and housing accommodations for the workers and a school for their children.68 The Niebuhr mills had a doctor present at all times and medications for workers were free of charge.69 In 1915 hospital and medical expenses, costing 7,206 rubles, were covered in order to provide better care for workers. Support for the Mechanical College of Alexandrovsk secured an education for technical specialists at the Lepp and Wallmann factory.70 The Lepps in every way possible assisted the children of workers, thus securing a kind of worker dynasty; to this end, the "P. Lepp Grant" was given to the best students of the Alexandrovsk College whose parents were workers at the factory. The same aim
guided Abraham Koop’s support of the Alexandrovsk commercial college.\(^7^1\)

The public activity of Mennonite entrepreneurs revealed a keen sense of social responsibility, but also a commitment for professional improvement. The companies Lepp and Wallmann, A. Koop, and A. Koop and Hälker were members of the “Congress of Russian Manufacturers of Agricultural Machinery and Tools.”\(^7^2\) Abraham Koop was a council member in that organization and Johann Lepp was an advisor to the council chairman.\(^7^3\) Mennonite businessmen were also recognized for pursuing an education that provided the intellectual and technical knowledge to enable them to manage their factories. Johann Lepp, for example, had begun his work after graduating from the technical college in Ekaterinoslav.\(^7^4\) Abraham Koop, on the other hand, was very proud that his daughter had married a Mr. Epp, a graduate of the Emperor University with a “second degree” diploma; this fact was mentioned in different documents several times, no doubt to increase the prestige of the dynasty.\(^7^5\)

During the first decade and a half of the twentieth century the Mennonite milling and machine-building enterprises of Alexandrovsk became widely known as models of success in all of Russia. From 1905 to 1910 the profits of the Lepp and Wallmann factory increased from 100,617 to 224,991 rubles\(^7^6\) and the company was an active participant in agricultural exhibitions where it received awards 33 times.\(^7^7\) The partnership of A. Koop became known as the second largest enterprise (second only to Lennov’s) in all of Russia: in 1908 the Koop factories produced goods to the sum of 610,000 rubles; in 1914 the Koop factories received 8 medals at agricultural exhibitions; and after 50 years of operation, factory production records indicated that the factory had produced 186,560 units of agricultural equipment.\(^7^8\) Other factories made their mark too. By 1905 the annual profits of the trading house K Hildebrand Sons and Priess had reached 9,000 rubles and its annual production 116,000 rubles;\(^7^9\) moreover, its goods were recognized with awards at the agricultural exhibitions in London in 1908 and in Ekaterinoslav in 1910.\(^8^0\) By 1910 the Koop and Helker factory was producing 17,900 pounds of cast iron, valued at 113,818 rubles. And at the beginning of the First World War, Niebuhr and Co. milled 1,962,000 pounds of wheat and 175,000 pounds of rye.\(^8^1\)

The goods of Mennonite factories were also in significant demand. Wide distribution and retail networks organized by the owners were important in ensuring the successful development of the enterprises. By 1914, the high quality flour products of Niebuhr and Co., for example, were being exported to Finland, Turkey, Greece, the Sudan and Java.\(^8^2\) The shops of Lepp and Wallmann and the Koop factories were located in the Tavricheskaya and Samara districts and their commercial agents had established activity in Saratov, Uralsk,
The Mennonite Industrial Dynasties in Alexandrovsk

Minusinsk, Lithuania, and Bessarabia. In January 1913 Koop, having united with Gan's Factory of Odessa and "Elvorty" of Elisavetgrad, founded the trade company "Harvest" which distributed the Koop machines in European and Asian countries. The Mennonite enterprises of Alexandrovsk thus bolstered the image of the city. By 1915 Alexandrovsk, with a population of about 60,000, was considered a prospective industrial center. But it had also become a noted financial center, a remarkable witness of the city's development being the nine financial establishments located there.

Table 3

<table>
<thead>
<tr>
<th>Specialization</th>
<th>Annual production in Alexandrovsk uezd in 1912 (in rubles)</th>
<th>Annual production in Mennonite enterprises in 1912 (in rubles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milling Industry</td>
<td>8 159 891 (15 mills)</td>
<td>7 362 391 (90%)</td>
</tr>
<tr>
<td>Machine - Building Industry</td>
<td>7 952 781 (16 enterprises)</td>
<td>2 749 781 (34%)</td>
</tr>
</tbody>
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The Difficulties of War and Revolution

When the First World War began the Mennonites of Alexandrovsk were faced with the threat of losing their property. For a long time Mennonite enterprises had developed in favorable economic and political conditions, as the government had been interested in vast industrial development and had supported the activity of private enterprises. The public charity of the Mennonite entrepreneurs secured the loyalty of the state. But during the period 1910-1917 a series of laws directed mainly at German capital in Russia were passed to restrict foreign influence. As Germany was Russia's primary enemy in Europe, restrictive measures were directed against the German-speaking population, and this included both German settlers and Mennonites. Special "Liquidation Laws" were introduced to liquidate German landholdings. This legislation made provision only for the price of the land and not for the value of industry located on it, and thus the devaluation of the industrial enterprises threatened their future functioning. Potential buyers had no chance of effectively operating these factories and shops. So on August 19, 1916, the Ministry of Trade and Industry announced a two-year moratorium of the public sales of land on which the industrial establishments were located. Inspections at the firm of Lepp and Wallmann by special government commissioners were terminated once documents indicated Lepp's Dutch background and Lepp's involvement in military production. Now orders for
Military supplies were sent to Lepp and Wallmann and to other Mennonite factories by the highly active Alexandrovsk Military Committee. In a context in which military orders were not easy to get, only the high reputation of Mennonite factories in Alexandrovsk and the highly acclaimed public and professional activity of Mennonite clan leaders during the previous period, helped the Mennonites procure such orders. In fact, the Mennonites from Tavricheskaya Gubernia initially failed to get military orders and were helped in this regard only by the highly reputed Alexandrovsk Mennonite industrialists.

For strategic and economic purposes, the Lepp and Wallmann and the Koop companies were combined in November of 1916 to form one more organization uniting different clans. The new concern of Lepp, Wallmann and Koop signed a number of the agreements with St. Petersburg's Chief Artillery Committee and the Ekaterinoslav Military Committee to produce projectiles of different types. Between 1916-1918 Koop's factory produced goods totaling 1,467,979 rubles, 90 per cent of which were military goods. The volume of production was five times greater than production prior to the war period. Hildebrand and Priess, and Koop and Helker were also involved in military production. In other ways, too, the Mennonite entrepreneurs did not miss the chance to demonstrate their patriotism. For example, in autumn 1914 Lepp and Wallmann loaned farm machinery and tools for periods of about three weeks to families whose men had left for military service. The Koops also supplied the soldiers' families with monthly money grants. The Niebuhr flourmills worked nonstop throughout the war period, fulfilling a contract to produce 750,000 pounds of flour, and the head of the milling division of Niebuhr and Co. donated 1,310 rubles to the army and offered to treat army officers at the Alexandrobad sanatorium. (Unfortunately, Niebuhr and Co. was not able to save its bank savings which were confiscated). During the war Lepp's yearly production reached a value of 1,557,530 rubles as the factory's capital doubled and reached 2,400,000 million rubles. (However, that was not as significant as it looked, considering that the inflation rate was 100-150 per cent).

Following the revolution conditions worsened quickly for the Alexandrovsk industrialists. On January 1, 1918 the terms of the military orders expired. By that time in Russia power had changed twice in one year and part of the earlier order for products was never claimed nor paid. A lot of problems had fallen upon the holders of the enterprises, the main one being the shortage of raw materials and fuel. The Union of Plant-holders of Ukraine, in charge of regulating production, conducted a survey of financial losses and that survey showed the following: the Lepp and Wallmann factory had lost 1,008,925 rubles, the Koop factories 45,611 rubles, and Hildebrand and Priess about 161,214 rubles.
The subsequent history of the Mennonite enterprises in Alexandrovsk is a history of steady demise. The years between 1918-1920 foreshadowed the future of Russia. Despite the Mennonites’ desire to be only observers of those events, they became hostages as well as participants of events that followed. Bolshevism brought in new ideologies and a new culture which supported Marxist radicalism and opposed private ownership and the culture of private enterprise.

In April 1917 a “Vremennoye Government” (Russian for “temporary government”) decree established the so-called “Committees of Workers” at the industrial enterprises. The workers were given rights of partnership, including self-management of the factories. As a result two powers—the workers and the owners—contended at the factories. After October 1917 the workers and the trade union committee (the largest in Alexandrovsk was “The Union of Workers of Metallurgical and Lumber Enterprises”) were under the influence of the Bolsheviks. This fact determined the type of interaction between the former holders of the enterprises and The Committee of Workers. Soon the committees realized their inability to manage the enterprises. The experience of the historic owners, going back three to four generations, was crucial for the successful working of the enterprises, and this experience could not be obtained through legislation! Therefore, during this period the government allowed the management of factories to be carried out by a special “Administration” consisting of the former holders. Historic documents only indicate sporadic episodes that show how the Mennonite factories were affected by the events of 1918. And every episode reflects human tragedy. During these trying times, Johann Lepp wrote the following: “The Bolshevik’s power, which was established in Alexandrovsk at the beginning of 1918, created for us such conditions that it was impossible to work. We cannot talk about the activity during the time in which our freedom and life were threatened...Discrepant orders of Bolsheviks completely destroyed city life.”

The last attempt to keep the situation under control was the establishment of the “Conciliation Commission” in Alexandrovsk. This board consisted of two groups of persons: the representatives of the workers and the owners. The chair of that committee was Johann Lepp. The aim of this committee was to solve various problems in the management of the enterprises, from salary issues to the dismissal of workers. But in a situation of general anarchy, the owners were the only ones who carried out the adopted resolutions. From January to March 1918 the Lepp and Wallmann enterprises, located in Kamenskoe and Kakhavskoe settlements, received numerous announcements for the possible requisition of agricultural equipment by the local “Soviet.” The enterprises became more active in April-November 1918, during the German occupation. The industrial dynasties aimed to support the
activity of their enterprises by any means. Abraham Koop stated: "We can verify, that for the past year, despite vital distractions, we have served all of our customers. The comprehensive improvement of our equipment has helped us."94

But it was not possible to keep the situation under control. In February, 1919 Koop and Helker became the first Mennonite enterprise to close its factory under these difficult circumstances.95 In April, and May, 1919 all Mennonite enterprises were nationalized. Workers' committees allowed the former holders to continue their work and reside in factory apartments, but the personal property of the holders was given up for public need. Soon the Mennonite entrepreneurs were completely discharged from their former factories. On May 12, 1919 the worker Neufeld was appointed to manage the Lepp and Wallmann factory.96

After this change no sign of the Lepp dynasty can be found in the factory documents. In August, 1921, the factories of Lepp and Wallmann, A. Koop, Koop and Helker, Hildebrand and Priess, and other private factories obeyed the guidance of the Gubernian Committee of Steel Industries.97 Most of the enterprises were without competent management and stopped operating altogether. The Mennonite factories of Alexandrovsk worked under partial capacity and full production was restored only during the mid 1920s.

Conclusion

The history of the development of Mennonite enterprise dynasties in Alexandrovsk provides an understanding of the complex problem of "Mennonites and the Cities." It allows for the construction of a multifaceted model of its interrelationship and the influences each had upon the other.

It demonstrates that the emergence of urban enterprises was the result of a dynamic development of the enterprises in the territories of the Mennonite rural settlements. These settlements served as a necessary stepping stone which guaranteed the further development of the cities and allowed businessmen to develop the foundation of their businesses in more promising conditions. It further demonstrates that the expansion of the region was under the economic influence of the Mennonites. This study also shows, that transferred to an urban base, the business culture received additional possibilities for development. The new economic conditions, which were granted by the cities, helped to energize the Mennonite enterprises onto a higher economic and industrial level.

The economic expansion of the Alexandrovsk area went on for two generations of Mennonite entrepreneurs. The first group of
entrepreneurs came to Alexandrovsk at the very beginning of the economic development of this region, in the 1860s and 1870s. They were able to establish leading positions during the first period of development. But most of their enterprises belonging to the pre-industrial epoch, became economically uncompetitive during the period of industrialization. The second group of Mennonite businessmen started their enterprises in an already well-developed Alexandrovsk region in the 1890s and were more successful and they fully developed their businesses.

This study has also shown that this group's interaction formed into a specific clan system of financial and social activity, a system of Mennonite dynasties. It guaranteed stability and further growth of their businesses. The real embodiment of Mennonite entrepreneurial culture was the activity of the companies. Their dynamic development was propelled by a complex combination of factors: favorable markets, useful geographical location, availability of capital, new technologies, timely specialization, the joint-stock system and also an intergenerational commitment to the business.

Further, this study has indicated that in Ukraine, Mennonites formed a special urban culture by becoming integrated with the technical achievements of modern European civilization. It clearly reflects the cultural mission of business in traditional Mennonite society. If the main role of teachers and preachers was to transfer traditional Mennonite values to new generations, the mission of the entrepreneurs was to search for new prospective paths. Mennonite businessmen were the first to refuse ethnic stereotyping, guaranteeing the viability of their community. Forming new forms of life out of village territories, the Alexandrovsk urban dynasties saw themselves as organic parts of the Mennonite community. They influenced a modification in the standard of living in the settlements.

At the time of the Bolshevik Revolution, the Mennonite enterprises had significant potential for further development. While being an active catalyst in economic development, they could not resist the sweeping political modifications in the Bolshevik State. And, if during the period of growth of Mennonite entrepreneurship in the cities business developed along a particular trajectory, distinguishing it from village economic development, the period evoked by the Revolution was disastrous and signalled the common historical fate of the Mennonites in Russia during the next historical period.

Notes

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