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Więzi ekonomiczne między Polonią amerykańską a Polską
w latach 1918–1939

The mass economic emigration of Poles to the United States took place after 1870 in the third phase of the American immigration (the so-called great industrial immigration) lasting from the time of the Civil War until the outbreak of World War I.

In the years 1895–1913, over 1.9 million persons from the Polish territories settled down in the U. S., including 950,000 immigrants from the Polish Kingdom (the Russian sector of partitioned Poland), 900,000 from Galicia (the Austrian sector) and only 50,000 from the Prussian-ruled sector. About 1,300,000 of them were Poles.¹

The restrictions of immigration introduced after World War I resulted in significant limitation of the inflow of Poles to America. According to the official American census, the Polish ethnic group in the United States counted 2,443,329 people in 1920, 3,342,198 in 1930, and 2,905,859 in 1940.²

¹ A. Pilch: *Emigracja z ziem polskich do Stanów Zjednoczonych Ameryki od lat pięćdziesiątych XIX w. do r. 1918*, [w:] *Polonia amerykańska. Przeszłość i współczesność*, ed. by Hieronim Kubiak, Eugene Kusielewicz and Thaddeus Gromada, Kraków 1988, s. 42.

² *One America, The History, Contributions, and Present Problems of Our Racial and National Minorities*, ed. by F. Brown and J. Rouček, New York 1949, s. 657.

It should be emphasized that the figures given by the American side were not precise, because they counted as members of Polish ethnic group only those immigrants who were born in Poland, and their children, if the latter regarded Polish as their mother tongue. Other people of Polish descent were regarded in the census as native Americans. Finally, some immigrants who came to the United States before World War I from the regions of Poland under the Prussian, Russian and Austrian partitions were registered as members of ethnic groups of those countries.

The American Polonia tended to concentrate in the northern states of the U. S., along the Great Lakes between the Atlantic and the Mississippi river forming two major settlement areas: the one including north-western states (Illinois, Wisconsin, Michigan, Ohio, and partly Indiana and the other, embracing the north-eastern part of the U. S. (the state of New York, New Jersey, Massachusetts, Connecticut and Pennsylvania).³

The majority of Polish immigrants settled in big industrial centres, finding employment in the industries of Chicago, Detroit, Buffalo, Cleveland, New York and coal mines of Pennsylvania. According to the census of 1930, as many as 86.4% of Poles inhabited urban areas: the vast majority of whom being peasants in their native land turned into workers. The number of farmers was estimated less than 18,000 (1920). The number of educated persons in the Polish immigrant group was very small too; in fact it was much lower than in any other ethnic group.⁴

The main sphere of the economic activity of the Polish ethnic group in America was connected with World War I, when the Polonia took it upon itself to organize aid for the impoverished population of Poland. Several organizations undertook such activities at the same time, the most important of them being: the Polish Central Relief Committee (transformed later into Polish National Department in America), the American-Polish Relief Committee (the so-called Sembrich Kocharńska Committee), the National Defence Committee and the National American Committee of the Polish Victims Relief Fund, founded by Ignace Paderewski.

The material basis of all aid for Poland was to be the so-called "10 million Fund" instituted on the initiative of Ignace Paderewski by the Parliament (Meeting) of Polish Immigrants in Detroit, in August 1918. The Polonia leaders believed that the collection of 10 million dollars among over 3 million immigrants of Po-

³ A. Brożek: *Polish Americans 1854–1939*, Warszawa 1985, s. 39.

⁴ T. Radzik: *Polonia amerykańska wobec Polski (1918–1939)*, Lublin 1986, s. 15–16.

lish extraction should not be too difficult a task. The Parliament established a permanent though voluntary task, depending on individual income. The taxes were collected by the collection committees organized on the basis of the network of almost 800 parishes.

Despite the countless speeches, the daily editorials, support of the Polish clergy and almost all the Polish organizations, not even half of the goal was reached (4,954,419 dol).⁵ In comparison with the Jewish and Czech ethnic groups, the Polish group was more thrifty in spending money; the Polonia was more eager to take part in spectacular patriotic manifestations than supporting financially the national cause.

Yet, in the years of 1918 and 1919, thanks to John Smulski, a Chicago banker and chairman on the Polish National Department in America (the most important Polish Organization) who campaigned with the American Red Cross and the American Relief Administration, Poland received by August 1919, 254.4 thousand tons of food and 6 thousand tons of clothes, worth of 63,191,216 dollars. Some help came also from the American Red Cross, the Jewish Joint Distribution Committee and the US Liquidation Commission. Behind these undertakings, too, stood John Smulski, an active negotiator representing, with absence of diplomatic relations, the interests of Poland. After the dissolution of ARA in July 1919, the American Relief Administration – European Children's Fund was created by Herbert Hoover which continued to provide aid for European countries ruined by the war. This action was also actively supported by the American Polonia (although on a smaller scale than expected). Poles from America were also among the personnel of ARA and ARA-ECF in Poland including several dozens nurses, volunteers from among the Polonia.⁶

The impossibility of creating a Polish section of the Red Cross – it could exist only in an independent country – led to the idea initiated by Ignace and Helena Paderewski, that a special organization acting as a substitute of a Red Cross be created in the National Department in America. This was formally established in January 1918 as the Polish White Cross. At the head of this organization, whose main objective was material aid for the Polish Army in France, stood Helena Paderewski. All funds were raised among the American Polonia. After the transfer

⁵ T. Radzik: *Spółeczno-ekonomiczne aspekty stosunku Polonii amerykańskiej do Polski po I wojnie światowej*, Kraków 1989, s. 27–31; *Zestawienie uwag i cyfr od Rady Zarządzającej Wydziału Narodowego na Trzeci Sejm w Pittsburghu, Pa., dnia 23 lutego roku 1921, Chicago 1921, s. 17.*

⁶ Radzik: *Spółeczno-ekonomiczne aspekty...*, s. 14–26; *Herbert Hoover and Poland. A Documentary History of Friendship*, ed. by George J. Lerski, Stanford 1977, s. 6–7; W. R. Grove: *War's Aftermath. Polish Relief in 1919*, New York 1940, s. 219.

of the Polish Army from France to Poland, the Polish White Cross continued to operate extending its charitable help to the civilians. In 1919 at the request of the American government PWC was disbanded, and replaced by the Rescue Section of Polish Women (in fact it was only a formal change of the name). None the less, PWC continued its activity in Poland until 1922 under its old name of the basis of the funds collected in America. The assistance stopped at the moment when the Polish National Department and its Rescue Section of Polish Women ceased to exist.⁷

The charitable aid of the American Polonia for their old country, both for the organizations and for individual persons, was important. Concrete requests and needs were met, possibilities of receiving aid from American agencies were partly resorted to. During eight months between December 1918 and August 1919, the Polish National Department supported financially over 80 charitable organizations and institutions in Poland. The most significant subsidies were sent to the Main Protection Council in Warsaw. The resources collected within the "10 million Fund" were taken advantage of. In the fall of 1920, the Polish legation in Washington clashed with the PND authorities over the controversy concerning the right to organize material aid for Poland. The controversy which was widely written about in the Polonia press, decreased in effect the generosity of the Polish immigrants.⁸

Owing to the activity of the Polish organizations significant sums of money were obtained from American Central and local institutions and organizations, such as e.g. the Rockefeller Foundation (100 thousand dollars), the Patriotic Fund in Detroit (50,000), War Chest in New Amsterdam (28,000) and sent to Poland in real money or the goods.⁹

In spite of all these efforts, the material support for the war-ravaged Poland was rather disappointing, which was due both to the political divisions within the Polish community in the United States and the contemporaneous collections for different objects.

A characteristic feature of the Polish ethnic group in those years was (contrary to the Jewish group for instance) its inability to fully exploit the possibilities created by the American organizations in obtaining support both for itself and

⁷ J. Orłowski: *Helena Paderewska. Na piętnastolecie jej pracy narodowej i społecznej 1914–1929*, Chicago 1929, s. 96–97; L. Bójnowski: *Sprawozdanie z działalności Polskiego Białego Krzyża*, New Britain, Conn. 1921.

⁸ K. Lubomirski to PND, 23 march 1920, Archives of the Polish Roman Catholic Union in America, Chicago, PND File, 12841; Radzik: *Społeczno-ekonomiczne aspekty...*, s. 33–37.

⁹ *Ibid.*

for Poland – the result of the internal transformations the Polonia was undergoing. Another characteristic feature of the Polish ethnic group was that all kinds of actions combined with meetings, celebrations, selections of committees (i.e. activities whose form created the possibility of mutual contacts and participation in the life of one's own ethnic group) were much more successful.

The question arises, in what relation the effort of the Polish community in America was to its possibilities? It seems that the Polish immigrants made a sufficient but not the best possible effort, considering their possibilities as determined by the material position of the community in the American society, its own social structure and the level of national consciousness. The internal campaign, oriented towards its own community and aimed at stimulating activity and providing financial aid, proved to be effective and brought concrete results. What was less effective was the pressure of the Polish community on the American authorities and society. The latter was rather beyond the possibilities of the Polish community. It was the question of the position of the Polish ethnic group in American society.

It should be stated that the activity of the Polish immigrants in America was at that time guided mostly by the interest of the Polish nation and the Polish state. This sheds light on the national consciousness of the immigrants who were largely of plebeian descent. At the same time, all the activities undertaken for the support of Poland constantly stimulated and enriched the national consciousness.

In 1919 the Polish government faced by enormous economic difficulties after the regaining independence as well as a permanent need for credits and foreign currency decided that the best way to raise the money would be to sell Polish bonds in the United States. The Polish side in that business was to be represented by John Smulski, chairman of PND, banker and political friend of Ignace Padewski. Smulski expected that it would be possible to sell in America obligations amounting to the sum of 100 million dollars. The profits and the property of Polish state were to guarantee the loan. Unfortunately, the American banks did not trust the Polish state as the scale of the task would request. The plan collapsed. In its changed version, the plan anticipated the sale on bonds only within the Polonia circles and only for the sum of 25 million dollars.

However, before Smulski finished organizing suitable banking corporation, the Polish Ministry of Treasury and Warsaw authorities, which doubted Smulski's financial abilities had put in charge the realization of the loan to the American financial corporation The People's Industrial Trading Corporation. What is more, PIT Corporation received, at the same time, a one-year priority in brokerage in any financial transactions between Poland and the United States. The latter

could be more profitable for the Corporation than the realization of the loan. What is worse, the total sum of this 6% loan amounted to 250 million dollars, but the minimum level of its realization had not been defined.¹⁰

As a result, the Polish National Department with its chairman, other Polish organizations and the Polish press supported loan campaign only formally showing reluctance towards the idea of loan, although Polish speakers and clergy promoted the sale of bonds and like some Polish organizations offered office space for the sale of obligations.

Unfortunately, the bond drive was launched at the very time of Polish military defeats on the Eastern front and the threat of Polish independence. On the battle front Polish armies suffered defeat after defeat, and so in America the bond drive suffered accordingly. Nothing seemed to help; appeals, attractive posters, newspapers advertisements and the enthusiasm of paid and unpaid speakers – all fell flat.

If one takes into consideration these circumstances, one should not be surprised by the negative result of the campaign; although the bond campaign never broke down completely being prevented with great effort from the collapse, the goal was never reached. A mere 18.5 million dollars were collected. In 1937 the Polish authorities arbitrarily changed the date of paying the loan. This fact had a negative influence on the attitude of the Polonia towards Poland.¹¹

Between 1919 and 1923 about 100,000 Polish immigrants decided to return to Poland. The returnees were partly motivated by patriotism however partly by the economic depression which became deeper in 1920 and 1921. As a result, the unemployed immigrants started to lose their savings. They believed that the return to Poland might give them a chance for an economic success. The comparing of prices and the cost of living was an important factor lying behind.¹² Some of the re-emigrants were determined to become successful businessmen thinking about the possibility to make Poland another United States. They returned to Poland with the purpose of contributing their knowledge, their experience, their strength, their wealth toward the rebuilding of a powerful and economically stabilized country, anxious to introduce American business methods to the Polish countryside and industry and watch prosperity unfold. Unfortunately, very few of them knew what the real American business methods were.

¹⁰ Z. Landau: *Pierwsza polska pożyczka emisyjna w Stanach Zjednoczonych*, „Zeszyty Naukowe SGPiS”, nr 11, Warszawa 1959, s. 59–61; S. Iciek, *Polacy w Ameryce*, Poznań 1921, s. 27.

¹¹ Landau: *op. cit.*, s. 71.

¹² A. Właszek: *Reemigracja ze Stanów Zjednoczonych do Polski po I wojnie światowej (1919–1924)*, Kraków 1989, s. 45 i n.

Many Polish re-emigrants worked under the illusion that Poland is a new country provided with the widest and most varied field of opportunity for every business and economic venture. What they found was that business opportunities were few and limited. Their American experience, practices and methods could not find correspondent application. The bureaucracy, corruption of local authorities and what is the most important, ignorance of real economic and social conditions in Poland made their activities fruitless.

Some of the re-emigrants have engaged their money in various industrial, transport and trade corporations directed by non-professionals aiming at quick and high profits and they lost their savings. Some of them have established small business shops, similar to those they had conducted in America, others bought real estates in cities, mostly apartment houses. Those who invested their savings in apartment houses could not expect profits because in 1920 the government gave special protection to the lodgers to save them from removing. Planning to retire in the old country many Polish re-emigrants put up their saving into banks. As a result of the great inflation they lost almost all. Some of them bought the farms at the low price from the Germans, mostly in the west provinces of Poland. Many settled down on land bought in their native villages, and they were doing rather well. Apart from the last case, it is very remarkable that practically all of the re-emigrants failed in their undertakings.

It should be noted that the Polish government did almost nothing to protect them from exploitation and abuse. On the contrary, it was setting many bureaucratic obstacles in the process of accommodation of the re-emigrants in their new surroundings, i.e. possibility of buying the land only by Polish citizens (some of them had the American citizenship).¹³ In the result, the essential part of a sum of about 30 million dollars, which re-emigrants contributed to the Polish economy, was lost irrevocably for them. By 1922 some 9,000 persons among the returnees were so disgusted that they crossed the Atlantic Ocean for the third time, thoroughly disappointed with what they had seen in the old country. The stories they brought back with them to America slowed down the scale of re-emigration. Others looked for protection in the Patronage of the Alliance of Poles from America in Polish Republic, an organization representing their interests.¹⁴

In 1921 the Polish currency began to inflate with its value decreasing rapid-

¹³ A. Walaszek: *Reemigranci ze Stanów Zjednoczonych i Kanady w Polsce (1919–1923)*, „Przeгляд Polonijny” 1980, nr. 1, s. 5–17.

¹⁴ D. Buczek: *Immigrant Pastor. The Life of the Right Reverend Monsignor Lucyan Bójnowski of the New Britain, Connecticut*, Waterbury 1974, s. 159; S. Osada: *Jak się kształtowała polska dusza wychodźstwa w Ameryce*, Pittsburgh 1930, s. 175.

ly. Many of the Poles in America unacquainted with money business and with changes of the courses, considered this an opportunity time to invest their dollars in Polish marks. They thought that perhaps overnight the mark would rise again in value and they would be richer for all the risk they were taking. Some Polish-American workers even went into debt buying these worthless marks. They should be simply regarded as the speculators in foreign exchange.

Nobody of course dreamed that the Polish mark would ever reach a ratio of 9,300,000 marks to the dollar as happened by February 1924. In the matter of this speculation John Smulski, president PND and banker, expert on financial matters, warned that the Polish government would not be responsible for losses suffered in these currency exchanges.

Some other Polish Americans sent various sums in American dollars to Poland, either to their relatives or with the purpose of buying the property for themselves or for others reasons. In the process of exchange from dollars into Polish marks, and mainly, in the process of slow expediting the money by the banks and delivering them to the receivers, considerable sums of money were lost by the daily decline of the Polish mark. It often happened that, after one month, remittance received only 10% of sending value.

In accordance with the data compared by the Polish consul Mieczysław Szawleski the amount sent by Polish Americans to Poland was as follows.¹⁵

Table 1. Money sent by Polish Americans to Poland

Years	Amount (dollars)
1919	30 mln
1920	60 mln
1921	45 mln
1922	35 mln
1923	20 mln
	Total 190 mln

The majority of depositors lost their savings, especially those who planned to return to Poland within a year or two and sent their money to the private banks. Guarantees were given only to those who sent their deposits to the Post Office National Savings (Pocztowa Kasa Oszczędności) and the Polish National Savings Bank (Polska Krajowa Kasa Oszczędności) by the Polish consulates.

¹⁵ M. Szawleski: *Wychodźstwo polskie w Stanach Zjednoczonych Ameryki*, Lwów-Warszawa-Kraków 1924, s. 433; J. Adamski: *Sprawozdanie i projekt organizacji przekazów amerykańskich*, Waszyngton 1920, s. 3–4.

But in the case, the matter was complicated right from the beginning. At first the Polish government refused its responsibility to make good even the deposits in the national banks, the deposits which had been guaranteed only two years before. But later, in April 1925, shortly before the meeting of Polish National Congress in America, (which had on its agenda the question of the Polonia financial losses in Poland) the Polish Ministry of Treasury agreed to repay dollar for dollar all the deposits made in Polish national banks.¹⁶ As a part of compromise, the payments were made in Polish government bonds bearing five per cent interests and maturing within 20 years (it means 1945, six years after Hitler's conquest and one year after the change of the political system in Poland). Thus dashed all hopes of getting back the investment made by the Polish-Americans. The same happened with the bonds of Polish loan in the U.S.

It should be stated that decline in money value was universal in Europe, other countries undergoing the same process, which was so painful as in Poland. This should be looked upon as an aftermath of the war.

The hopes of American Polonia linked with the benefits that might be derived from contacts with the reborn Poland, also came to nothing in the case of various companies and corporations which had sprung up in big numbers following the end of the war, whose aim was to develop trade links with Poland or to invest in this country. Many of them were organized also with the intent and purpose of rebuilding Poland economically after the war. But mainly it was a dream of easy money, of high dividends, that has been thrust upon the American Polonia. In their imagination post war Poland offered great opportunities for the investment of the capital. Many corporations put the advertisements into the Polish-American press about selling stocks and shares. Each business organization or corporation had the stamp of patriotism imprinted upon it and often the support of people popular in the Polonia circles.

The speculators reasoned that Poland was undergoing a thorough reconstruction and that prosperity must follow the recovery. One could expect that the biggest profits would come to those who entered as the first. The risk was greater in industries yet to be developed but so was the profit. In such an atmosphere of hope many business enterprises mushroomed during 1919 and 1920. The most important of them were: The Polish Mechanics Association founded in Toledo, Ohio in 1919, Union Liberty Co., Palatine Commercial Corp., "New Warsaw Co.",

¹⁶ „Wychodźca” 1925, nr 25, s. 10; Dziennik Ustaw RP 1925 nr 83, pkt 563.

also navigation corporations, such as the Polish-American Navigation Corporation, The Polish Navigation Corporation, the United Polish Lines and others.¹⁷

The combined capital of these corporations was estimated at 30 million dollars.¹⁸ In the records of the Statistical Bureau affiliated with the Polish Consulate of General in Chicago, Stanisław Osada, who was engaged in Bureau, discovered in 1921 thirty five such corporations showing a property valuation 49,901,000 dol. and numbering 145,111 shareholders.¹⁹

Almost all of these corporations went bankrupt as a result of inflation of the Polish mark, the inexperience and the naivety of the sponsors, their ignorance or lack of technical knowledge and lack of the support from the Polish authorities. Some of the companies were mere swindles, but it was not the common events. For the American Poles it was another bitter experience in their economic relations with Poland.

However, in the 20's the next steps were made, both in the USA and Poland, to lay down a common program of economic cooperation between Polonia in the USA and Poland. The program in question was to be implemented by specialized organizations. Towards the end of 1918, the Polish National Department created in Chicago an Industrial and Trading Office where all the initiatives concerning cooperation were to be concentrated and which at the same time was to fulfil the function of an information center with reference to above matters. However, this initiative did not obtain the support of the Polonia. A greater significance was attached to the American-Polish Chamber of Commerce and Industry in the U.S. – an organization founded in 1920 in New York on the initiative of Polish authorities. The organization dealt with the cooperation with Poland, although the participation of the Polonia in its activities was very small. It was the American companies that dominated.

In 1921, a counterpart of the American-Polish Chamber of Industry and Commerce was created in Warsaw. The periodicals: "America" and "Poland", published by the two chambers were devoted to the problems of economic cooperation. In the 1925, on the initiative of Polish authorities, an Economic Association of Poles from the Fatherland and Poles from Abroad was created, the purpose of which was to coordinate economic cooperation. However, as it soon turned out, it played rather a marginal role in the development of economic relations. At the same time another organization the Polish Chamber of Commerce

¹⁷ K. Wachtl: *Polonia w Ameryce. Dzieje i dorobek*, Filadelfia 1944, s. 188–190.

¹⁸ Szawleski: *op. cit.*, p. 440.

¹⁹ Osada: *op. cit.*, p. 171.

founded in 1925 on the initiative of the Polish consul in Chicago, did not turn out ephemeral and functioned actively for many years.²⁰

An interesting episode in the matter of economic cooperation between American Polonia and Poland were attempts to organize cotton supplies for the textile industry in Poland from the Polish farms in Texas. In the 19th century some Polish immigrants settled down in Texas developing through the years plantations of cotton. In 1920, the Polish Consul from New York, Leon Orłowski and in 1930 the Polish Consul from Chicago Aleksander Szczepański visited Texas, looking for the possibilities of cotton supplies to Poland. The plan of special organizations in the form of cooperatives was being considered, but these projects have never been realized.²¹

Individual Polonia businessmen could not be object of economic cooperation with Poland. In the 30's, the Polish authorities consistently attempted to consolidate the Polonia entrepreneurs. It was connected with the general principles of Poland's policy towards the Polonia which treated the organizational consolidation of the Polonia as the first stage in incorporating the Polonia circles in the world, into the scheme of work for Poland Endeavours of Polish consular representatives in the U.S. led to the organization of the National Federation of Trading Associations in America at the congress in Cleveland in April 1936, acting on behalf of 21 Polonia business associations (600 members) – i. e. 13% of Polish business circles organized in local associations.²²

Subordinated to the Polish representatives Federation was not an authentic body. Until the outbreak of the war it was neither a serious partner in economic exchange with Poland, nor a factor which could consolidate the American Polonia.

The balance chart of mutual relations between The American Polonia and Poland in the period 1918–1939 was not favourable for the Polonia. The disappointment of the re-emigrants, losses connected with sending their savings to Poland, the failure of paying the loan back, caused a certain aversion towards Poland and a growing indifference to Polish problems. The leaders of the American Polonia were all aware of this situation already in mid-twenties, when they coined the slogan: "Polonia for Polonia's sake" and campaigned for loosening the ties with

²⁰ Radzik: *Spółeczno-ekonomiczne aspekty...*, s. 156–166.

²¹ A. Brożek: *Próby organizacji dostaw bawełny do Polski z farm polonijnych w Teksasie (1920–1930)*, „Zeszyty Naukowe Wyższej Szkoły Pedagogicznej w Opolu”, Historia 1972, nr 10, s. 65 i n.

²² W. Gawroński (consul in Chicago) to Foreign Ministry, 4 Feb. 1937, Archives of New Acts, The Polish Embassy in Washington, File item 1080.

Poland. In the americanization of the Polonia, they saw a possibility of advancement and promotion. In 1934, the delegats of the American Polonia refused to joint the World Associations of Poles of the Abroad, stressing that they did not come to Warsaw as Poles from abroad but as Americans of Polish extraction. This met with understanding on the part of Polonia, the Polish press and organizations in America. Consequently attempts made by the Polish consular authorities to involve the Polonia in activities supporting a cooperation with Poland had no realistic chance of success. What is more, the authorities in Warsaw were more interested in the political than economic aspects of cooperation.