

SECTION II
**MULTICULTURAL CITIES IN THE CONTEXT
OF EUROPEAN INTEGRATION**

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**THE ROLE OF NATIONAL MINORITIES
IN THE ECONOMIC GROWTH
OF THE CITY OF ŁÓDŹ
UNTIL THE SECOND WORLD WAR**

1. INTRODUCTION

The creation of multicultural Łódź was a complex and longlasting process. It is commonly known that Łódź had grown into to a large city in the 19th century owing to the textile industry. The economic and demographic growth of this city was extremelly dynamic, comparable only with the development of the so called ‘mushroom-cities’ in the USA. This development was considerably (in some respects essentially) influenced by representatives of other nationalities who, beside Polish people, largely defined its specific character.

The history of Łódź, for more than 100 years the second largest city in Poland and until the 1890s the largest industry centre in Poland, can be traced back to the beginning of the 14th century. However, until the 1820s, Łódź was a small town living by agriculture, trade and handicraft. Its industrial carrier had begun from the resolution of Kingdom of Poland governor on the 18th of September 1820, in which Łódź was nominated – among many other cities – for the textile settlement. This event had determined its unusual carrier and a very dynamic development in the 19th and early 20th centuries.

2. THE INFLUENCE OF NON-POLISH POPULATION ON THE ECONOMIC DEVELOPMENT OF ŁÓDŹ UNTIL THE FIRST WORLD WAR

The newly established textile settlement in Łódź became an attractive target for foreign settlers who embarked on a massive migration. Initially spontaneous, it quickly changed into an organized migration when the government of the Kingdom of Poland introduced a policy aiming to attract craftsmen to develop the textile industry in Łódź. They were arriving mainly from Prussia (from Silesia, the Grand Duchy of Poznań and Brandenburg), Saxony, Austria and Bohemia (Rynkowska, 1951; Woźniak, 1989). German immigrants played a very special role in creating the foundations of textile industry.

Thanks to generous financial assistance (large government loans, partly ir-reclaimable) and concessions (free plots for construction, 6 years rent exemptions, etc.) offered by the government, they established first textile industrial plants (amongst others: K. F. Wendisch 1827, K. Saenger 1827, J. T. Lange 1829–1830, A. Potempa 1826, the later industrial potentate L. Geyer 1828, the founder of Łódź linen industry T. Kopisch, T. Grohman, J. Peters, F. K. Moes, and the later largest potentate K. Scheibler) (Pytlas, 2005). In 1839, L. Geyer, as the first industrialist in Łódź, had installed a steam machine, turned the workshop into a factory and became the precursor of the mechanic production. His company was the largest multidepartment enterprise in Łódź until the beginnings of the 1860s. It was composed of a spinning-mill, a weaving-mill, a print-shop and dye-works. Except Germans, since the 1840s, also the Jews started to invest in the industry, however during this time their main activity was trade¹. In 1860 out of eight largest industrial plants (14 had an industrial character), six belonged to German owners and two to Jewish (Pytlas, 2005).

It appears that in the first period of the industrial development German were most influential entrepreneurs, followed by Jews and other nationalities. Therefore in 1865, among 388 owners of industrial plants, factories and craftsmen workshops employing more than 5 workers, 245 belonged to German (63.37%), 84 to Jews (21.6%) and remaining 59 (15.21%) was Czech (23, 5.93%), Polish (22, 5.67%) and Austrian (3.61%). Industrialists of other nationalities were not numerous (Pytlas, 1991).

¹ In 1846 out of 14 largest merchants 12 had Jewish origins. Dawid Lande was the first Jewish merchant to invest in industry by starting in 1847 the cotton spinning-mill (Puś, 1998; Przygodzki, 1997).

After a short regress caused by economic (raw-material crisis in 1862–1864 caused by lack of American cotton supply to Europe as a result of American Civil War) and political reasons (events related with Polish national January uprising in 1863–1864), the following years saw dynamic economic development of Łódź. It was mainly accelerated by the technical revolution, which was noticeable in the industry since the 1850s. At the turn of the 1870s most of the industrial plants were already very modern and could easily compete with those in the West. At this time the textile industry accounted for about 90% of all global industrial production of Łódź. Moreover, new industrial branches have developed – among others: metal, mineral and food industry. Industry development was fostered mainly by Germans and Jews. In the end of the 1860s, K. Scheibler's industrial plants became the largest Łódź company, as a multidepartment enterprise embracing the whole production cycle. Since the end of the 1870s it ranked among biggest textile companies in the whole of Russia and until 1914 it gained a leading position in the textile industry in the Kingdom of Poland (Pytlas, 2005). During this time, the second largest German company was J. Heinzel's industrial plant, which in 1879 became the leading plant of the wool industry in the Kingdom of Poland, and afterwards belonged to the head of the Russian Empire wool industry. Beside Germans, it was a Jewish entrepreneur Izrael Kalmanowicz Poznański who greatly contributed to the industrial development. In 1872–1877 he built a large factory of cotton fabrics, with over 1000 employees (Pytlas, 1994). In this epoch German (49%) and Jewish industrialists (45.67%) clearly predominated in Łódź. In the following years, until 1914, participation of Germans and Jews in development of the industry in Łódź was still relatively high (Pytlas, 1994). These two nations accounted for over 90% of the whole industrialists in the city. In the beginning of the 20th century, from the nine largest industrial plants (all with textile profile), six belonged to German industrialists and merchants (K. Scheibler, Heinzel-Kunitzer, L. Geyer, J. Heinzel, L. Grohman, R. Biedermann), two to Jewish (Joint-stock Society of J. K. Poznański and Sz. Rosenblatt) and one to French (Joint-stock Society of L. Allart, Rousseau and Company) (Pytlas, 2005).

Notwithstanding with German and Jewish domination in the economy of Łódź, Polish community had also its contribution to the industrial development. Polish represented the third largest group of industrial entrepreneurs, and their percentage between 1893–1914 oscillated around 4%. The most significant contribution of the Polish nation was noticeable in the sphere of technical management of all industrial plants. Since the early 1890s, the personnel was dominated by Polish engineers (48%) (in the following years it even exceeded 50%, and in 1913–1914 they represented 42–44%).

Substantial percentage of the technical personnel represented also Germans (18.6–23%) and Jews (18.7–36.3%) as well as some other nationalities, like English and French (in 1893–1914 around 2–2.8%) (Pytlas, 2005).

Apart from industry, foreigners in Łódź were also active in other spheres of economy. For instance, they were greatly involved in the creation of credit institutions. Since the beginning of the 1870s, the wealthy industrial class of Łódź – mainly German and Jewish – established banks and joint-stock societies. In 1872, with the support of Jewish capital from Warsaw, the Trade Bank was founded, which was the first private bank in Łódź and the second in the Kingdom of Poland. Since the 1880s it was dominated by German shareholders. This largest bank in Łódź has played a significant role, not only in the economic development of the city, but also of the Kingdom of Poland having branches in seven cities (Pytlas, 1994).

In 1872, the bourgeoisie, mainly German and Jewish, with the participation of German and, to a lesser degree Polish intelligentsia, established Joint-stock Society of Łódź, which positively influenced the development of the city. It contributed to revival of banking and had an impact on regulation of the real estate prices and insurance relations, by putting city mortgage in order. It was also involved in supporting various philanthropic actions and became an institution where different nationals and different social classes could co-operate serving the common goal – the development of the city of Łódź.

Later on, several credit institutions were founded, e.g. Loan Society of Industrialists in Łódź, in 1900 transformed into Society of Mutual Credit of Industrialists in Łódź, Merchant Bank and Łódź Society of Mutual Credit. Of great importance for creating small and medium-sized businesses were bank houses owned by Jews. The first institution of this kind was established in 1870. Altogether in the years of 1870–1914 there were 12 bank houses in the city. Thanks to the development of financial institutions in Łódź, fostered mainly by representatives of three dominating nations, Łódź became the second, after Warsaw, domestic financial centre in the Kingdom of Poland (Badziak, 1977; Pytlas, 2005).

Development of industry in Łódź was followed by craftsmanship and the trade. In the years 1818–1830 only the first 11 crafts businesses were established by representatives of all three main nationalities, mostly by Germans. In 1831–1865 the trade and the craft businesses intensively developed. In 1865 were 489 trade enterprises (amongst others: 15 warehouses and bank exchange offices, 335 large shops, 55 inns, 41 restaurants, eating houses and pubs, 5 confectioneries and 6 hotels). In the beginning of the 1860s the monopolistic position in trade was occupied by Jews that represented 74% of the whole merchants and craftsmen. The others were German and Polish, rarely

representatives of other nations. At the turn of the 19th century, there was approximately 1200 strictly trade businesses. Furthermore, there were about 116 offices, commercial enterprises and insurance agencies from outside Łódź (Kingdom of Poland or Russia). There were also 18 hotels, 18 bank houses and banks, and several credit institutions. In 1900 businessmen dealing with commerce accounted for approximately 60% of all entrepreneurs in Łódź (another 40% were industrial businessmen) and were dominated by Jews (60.2%) (Pytlas, 2005).

Further development of the commercial and service institutions took place in the beginning of the 20th century, when Łódź became the main trade centre of raw materials, semi-finished articles and final products of textile industry in the Kingdom of Poland. In 1901 there were 2580 different commercial and service companies including 1576 shops, 696 warehouses and storehouses, 39 pharmacies and pharmacy storehouses, 18 hotels, 10 bank exchange offices, owned by Jews (48.6%), Poles (25.6%), and Germans (21.8%). In the beginning of the 20th century Jews made up 38% of all craftsmen in the city (the others were Polish and German) (Czas, 1913).

Representatives of different nations also contributed to development of urban infrastructure. At the end of the 19th century a group of German and Jewish industrialists established a consortium for construction of a tramline (1896–1897).

The first tram line with electrical traction in Łódź, as well as the first one in the Kingdom of Poland, was started on 23rd of December 1898. Till 1901 a tram line 27 kilometers long was completed (Żródlak, 1988; 1998). Urban as well as suburban communication was dominated by German capital (Bardziak, 1976; Żródlak and Wójtowicz, 2001). The creation of urban tram network and suburban conjunctions, contributed to the development of the industrial cities and estates in the vicinity of Łódź. It gave new impetus for growth of urban agglomeration. Development of tram lines also positively influenced demographic and economic growth of suburbs, where industrial plants already existed and where new ones were located. Thanks to the new communication network, the economical bonds with the nearest agricultural regions could have been extended.

The First World War largely reduced the economic development of Łódź. Industry had suffered heavy losses as a consequence of restrictive occupation policy of German authorities, that imposed requisitions of textile machinery, raw materials and products. Trade and craft also experienced huge difficulties. As a result of devastative policy, requisitions and breaking the relation with Russia, losses suffered by the industry were enormous, further increased by industrial establishments being indebted at foreign suppliers of textile raw materials.

3. THE ROLE OF MINORITIES IN THE ECONOMIC DEVELOPMENT OF ŁÓDŹ IN THE INTERWAR PERIOD (1918–1939)

After the First World War (November 1918) the economy of the city was in heavy difficulties. Textile industry, which was the main factor of urbanization, in the new political conditions had lost most of its traditional market on the East, as a consequence of revolution and changes in political system in the USSR. To compensate this loss, an expansion in the domestic market was undertaken. Despite many difficulties the textile industry recovered quickly. In 1923 there were 831 working textile industry plants, and 5 years later in 826 factories the number of employees reached the highest level in the whole interwar period (112,4 thousands). In the development of the industry the decisive role was played by German and Jewish companies, however some enterprises related to the foreign capital had significant contribution. In 1929 out of 32 largest textile factories, as many as 20 (62.5%) were owned by Germans, 6 by Jews owners (18.75%) and further 6 belonged to foreign capital (Pytlas, 2005).

The world economic crisis in 1929–1933 obviously influenced Łódź, most of all its textile industry and caused the wave of bankruptcy and insolvency. The two largest enterprises in town: the United Plants of K. Scheibler and L. Grohman (the largest domestic textile company, and one of the largest in Europe) and Joint-stock Society of Cotton Fabrics I. K. Poznański failed to declare bankruptcy as well. However, thanks to the intervention of Polish government, it did not happen. From among many industrialists in Łódź, in the interwar period, the most successful were Germans and Jewish. In 1936 out of 28 enterprises 15 (53.5%) belonged to German owners, 5 to Jewish (17.8%), 1 to Czech and 7 to representatives of foreign capital. In the interwar period, also craft and the trade have contributed to the economic development of Łódź. Like before the First World War, trade was the most common profession among Jewish community, whereas in craft, share of Polish, Jews and German communities was similar.

4. CONCLUSION

While analysing the economy of Łódź and the influence of national minorities, it should be remembered that during the period of agricultural town (until 1820) Polish nation was largely prevailing. The immigration of foreign settler has started as a result of Polish authorities' policy and that moment was crucial for development of industry in the city.

In the economic growth of the city until the 1914 the main influence on the industry development had German immigrants, while Jews were prevailing in trade. In this time Polish community constituted main source of labour in the industrial plants and factories. In craft activity, contribution of these three main nations was equal.

During the interwar period these proportions were changing systematically. Contribution of German and Jewish communities started to decrease in favour of Polish citizens. The Second World War essentially changed the situation, mainly because of extermination of Jewish nation. After the war the number of Germans dramatically decreased and Łódź became one-nation city with only few foreign nationals.

To sum up, during the whole history of Łódź as a multicultural city, each nation contributed to its economic development. Today this multicultural heritage is an unquestionable evidence of openness that was typical of this part of Polish territories in the 19th and early 20th century. This openness most clearly became apparent exactly in Łódź, which for many years became an example of coexistence of people of different nations and religions, for whom, it was not only the 'promised land', but also a homeland.

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