

THE LAST YEARS OF POLISH JEWRY
BY YANKEV LESHCHINSKY

VOLUME 1

AT THE EDGE OF THE ABYSS: ESSAYS, 1927-33



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5. A flood of small promissory notes¹

A few hours after arriving in Warsaw I went into a café to eat. Here was my first meeting with two “matchmakers” of a completely new type who flung me immediately into the depressed mood that envelops all Polish Jews.

They were two Jews from Kiev. Both were once quite rich. They were ruined a little by pogroms and a lot by the Bolsheviks. In 1920 they ran away from Russia with nothing. One of them lost his wife on the way. She could not overcome the anguish and misery of stealing across the border and took her own life after crossing it.

I first became acquainted with these Jews at the time of the pogroms in Kiev when we sat on duty entire nights waiting for the pogromists in order to sound an alarm over all Kiev, wake up the Jews, and instil fear in the pogromists. Such an acquaintanceship brings people quite close, even if they are from very different classes or camps. They carry in their souls a common secret that connects them forever. I was truly happy to see my old acquaintances.

One glance at them was enough to notice two completely ruined people, lost, dejected, hopeless, candidates for throwing themselves from a fifth-floor window, which is again becoming fashionable in Warsaw, as it was a few years ago. They had already experienced during

1 {A promissory note is a form of debt that is incurred in lieu of payment for a good or service. It is a signed commitment by the issuer to pay the provider of the good or service a specified sum on demand or by a certain date. The payment may include interest. A promissory note may be sold at a discount to a third party, who may in turn sell it at a further discount to a fourth party, and so on. The ultimate holder of the promissory note expects to receive payment from the issuer on demand or by a certain date, depending on the terms of the note.}

their nine-year wandering more than one metamorphosis. They had been money changers, manufacturers, and real estate brokers, had tried to enter the market with a little merchandise, and were most recently promissory note “matchmakers.”

In Poland one pays everyone for everything with promissory notes, even the doctor and the dentist, who later discount the promissory notes on the street. Eighty percent of Jewish workers are paid with promissory notes. I say “Jewish” because the gentiles with their good gentile heads do not understand such schemes as a 20-*zloty* promissory note (\$2.25) which one must take to the stock exchange and sell for 17 *zloty*, or even for 15.

On the other hand, I was told in Bialystok a few years ago that the Jewish factory owners survived the 1924–25 economic crisis thanks to the small-denomination promissory notes that they paid their workers, allowing them to bring capital into circulation that they would have otherwise never obtained. The German factory owners did not rely on such trifles and were all forced to close their factories. When I was in Bialystok a few years ago, all the textile factories were in Jewish hands.

What explains this phenomenon, which probably seems wild and incomprehensible to the reader? Poland lacks capital to run businesses. For a population of 30 million, only 1.5 billion *zloty* are available for businesses while the state budget totals 3 billion *zloty*. There are no loans from abroad. Productivity is just one-sixth that of Germany while the population is one-half as numerous as Germany’s. Every *zloty* passes through many hands, and therefore one pays crazy interest rates of 25–30%. Even large firms are often forced to discount promissory notes on the private exchange and pay such high interest rates.

The small promissory note that Jews have often used and often transferred from one person to another has become a sort of second currency in the country—a supplement to the *zloty*. However, it has been reduced to its sickest and most comical form, like paying the teacher, the housemaid, and the doctor with a promissory note. The trade in promissory notes has become so widespread and involved such a large part of the population that a large class of employees has grown up around the business. Some are discounters, people with a little money who can redeem promissory notes {for a sum less than their face value} or are such trustworthy people they can deposit them in a bank. Others

are “matchmakers,” or brokers as they are called in various cities, who bring together promissory note sellers and buyers.

In small towns, the “Americans”—those who receive \$10–15 a month from relatives {abroad}—make a living from buying promissory notes. The big and the small have issued promissory notes, and it is understandable that in such a trade system the mildest breeze can shake the entire structure. A new edict ruins a branch of the economy and bankrupts thousands of Jews. Much mud in the autumn months results in few promissory note redemptions in the small towns and many overdue redemptions. The smallest tremor in the foreign grain market—in general, the smallest movement in one or another wall of the Polish economic structure—gives the entire building such a jolt that all the walls start shaking and cracking, and throughout the country portfolios begin to swell with unredeemable promissory notes. The crisis arrives.

To better understand the paper building made of promissory notes and its role in Jewish life one must add that promissory note redemption is most highly developed in those occupations that are almost completely in Jewish hands and in which this type of trade was already widespread before the war. Even before the war, the norm was that no textile merchant dies before he goes bankrupt a few times. The entire Lodz textile trade, 90% or more of which is in Jewish hands, deals only with promissory notes. The factory owner lends to the big merchant, the big merchant to the wholesaler, and the wholesaler to the storekeeper, who sells for cash, especially to the peasant. Recently, however, the consumer has been taught to write little promissory notes. And the mountain of little promissory notes keeps on growing.

Lodz got wind of an American system that involves paying instalments, in this way making it easier for consumers to buy things they cannot afford to pay for all at once with cash. The consumer has thus been inundated with merchandise. It is enough to be in Poland only briefly to immediately sense that there is too much Jewish energy, too much Jewish entrepreneurial vigour, for the small Polish state. Once, this energy had an outlet: far and wide Russia and also emigration to America. Today it is as if it is shut in a cage, accumulated, concentrated in a limited number of branches that lie in Jewish hands. And this Jewish energy has started cultivating the internal market, forcing it to consume as much cloth as Lodz can produce, creating artificial demand in the population.

Received two
 promissory notes for 200 (two hundred) gildn {zloty} due 15 March and
 1 April 1932. Sh. Minsker, 29 December 1931.

200 - 1932 1/4 1/6 15/3 2-3

29/11 = 3/1

Fig 4 Untitled handwritten note (1931), Vilna, Lithuania. ©Archives of the YIVO Institute for Jewish Research, New York. The note reads: "Received two promissory notes for 200 (two hundred) gildn {zloty} due 15 March and 1 April 1932. Sh. Minsker, 29 December 1931." https://archives.cjh.org/repositories/7/archival_objects/1167339

Lodz worked well for a few years, but it received for its merchandise fat portfolios of promissory notes on which there were tens of thousands of signatures. One can pay the Jewish worker with promissory notes but not the Christian worker. Besides, one must purchase raw materials abroad, and for that one must pay cash. A crisis therefore had to happen, though in normal times it would not have been so terrible.

An unfortunate circumstance occurred that suddenly made the crisis a general one in all branches of the economy but mainly in branches where Jews are more highly represented. The price of grain fell so sharply that peasants earned one-half of what they earned a year earlier. Precisely in Poland there was a good harvest this year but low prices in foreign markets resulted in the peasants having just enough to cover the expenses they need to continue farming.

If the peasant has no money, the small-town Jewish storekeeper feels it immediately. The shopkeeper transmits the feeling to the mid-sized storekeeper via unredeemed promissory notes and, as if through an electric current, unredeemed promissory notes convey the sad tidings

to the wholesaler and the factory owner. Once the hail of unredeemed promissory notes starts crashing down, it does not stop. Like an epidemic, it spreads to broader and broader circles. Even those who can redeem promissory notes do not want to give up the last bit of cash they own. Much abuse, failure to redeem notes, and making a mockery of those who demand payment ensues. One or two bankruptcies in a small town is a calamity and a disgrace for the bankrupted, but hundreds and thousands of bankruptcies is no longer a disgrace but just a calamity.

A frivolous, even cynical relationship to money obligations in business has developed. This is a result of the mountain of small promissory notes and overdue redemptions under which Jewish business in Poland is being choked.

The Polish nobleman borrows money from the state bank or large private banks—large sums for long terms. In difficult times, he has tens of good friends in the banks, which administer payments for promissory notes. Overdue redemption of promissory notes among these people are rare, lacking a mass character. Heavy industries, which are to a great extent in Polish hands, suffer much less from the crisis.

The coal mines sell abroad or to the state. Only a small percentage of their production generates revenue from local private buyers. The metal factories also work a lot for the state, providing locomotives and railroad cars, or for large factories, providing machines. Unlike most Jewish-owned industry, they do not have to bother with the mass consumer and the mass storekeeper. Overdue redemptions probably occur among them, but they are for large sums and have better prospects of being redeemed than do the hundreds of thousands of small Jewish promissory notes for insignificant sums. One can confidently accept that the great majority of overdue promissory notes are Jewish-owned.

I have spent so much time discussing the promissory note and overdue redemption epidemic because it reveals most plainly the sickness and abnormality of Jewish economic life in Poland. When the abscess bursts it will certainly have a colossal impact on the fate of the Jews in Poland.

The whole time, the Polish government follows a policy in which “Polish industry” receives immeasurably more credit than so-called “Jewish industry.” It continually complains that there are too many middlemen in Poland, making Polish merchandise expensive. Now it

will have enough evidence that this is indeed the case and will certainly take steps to regulate trade in a way that Jews will lose their livelihoods.

We do not deny that there are too many small Jewish storekeepers. However, we demand that the state should not only want fewer middlemen, but also that they should be able to find livelihoods in other economic domains. The government will nonetheless act as always: taking livelihoods from Jews but not finding them new ones.

Apart from the government there are additional important factors that will and must cause thousands and perhaps hundreds of thousands of Jews to emerge from the present crisis without bread and without hope for bread:

- Large factory owners and large, solid merchants who have considerable sums of capital have decided to reorganize the sale of merchandise so that the wholesaler will be eliminated. They try to create direct ties to individual storekeepers, small storekeepers, and even village storekeepers.
- Whoever is familiar with the condition of Jewish trade in Poland knows that, precisely among middling wholesalers, Jews are the strongest element, while among individual storekeepers, who have to deal directly with the Christian masses, Polish storekeepers have won significant victories in competition with the Jews.
- In the current crisis it turns out that the Jewish middling storekeeper owns almost none of his own capital and works only with borrowed merchandise and money. For the factory owner or large merchant it has thus become clear that it is much less risky to lend to the small storekeeper, and it is also better insofar as it will make merchandise less expensive. One must remember that in Poland the factory owner's merchandise usually passes through four or five hands before reaching the consumer, making merchandise expensive.

For these reasons, in the next few years many victims from the Jewish middleman classes will fall—in addition to those who have already fallen so heavily that they will not be able to revive even after the crisis.

We have left behind the “matchmakers” and acquainted the reader with the mountain of ash that became of the hundreds of thousands of

small promissory notes, each of which passed through tens of Jewish hands and created among the Jews a fantastic conception of real trade and real profit that, like ash, comes to nothing when a slight breeze blows. The two “matchmakers” painted for us such a vivid picture of the mountain of ash that Jews had scaled for years, believing that they were making the world turn when in fact they were just fooling themselves, that I trembled with fear. As long as the wheel turned, Jews turned with it, intoxicated and enchanted by the easy dealings of trade with little papers. Suddenly a spoke broke. The wheel stopped, and all the enchantment was gone with the wind.

After the first overdue redemptions and bankruptcies, additional lending ceased. Since it was not possible to receive merchandise on loan, it was not worthwhile to pay for merchandise received earlier because one would wind up with empty shelves. Bankruptcies spread. Factories increasingly refrained from providing merchandise in exchange for promissory notes. Bankruptcies then multiplied, and fear of lending merchandise grew still stronger. Thus did people drag one another into the abyss, creating a mood of despair, panic, and desperation that strengthened the crisis still more, dragging into the abyss those who had previously stood on sufficiently firm ground. The wheel stopped, and after all their frenetic dealings, Jews became convinced that all was lost when they saw that one was left with worthless promissory notes, another with empty shelves. Getting the wheel to turn again was impossible without radical reforms that would require many victims.

I left the promissory note “matchmakers” who, for almost a month, had not earned a penny, and moved on to Genshe Street,² the centre of the Jewish textile trade, a narrow, dirty, and always noisy little street that before the war had so many millionaires—real, solid, well-established millionaires. It is still now the richest little street in the Jewish quarter, but how much it and its representatives have changed!

Gone are the large firms that sold textiles in the Moscow region. Of the several hundred firms that I counted with a representative of a firm that was established 35 years ago, just nine existed before the war. All the rest were established after the war and were based on wartime and post-war speculation, inflation trickery, and military supply contracts.

2 {Now Anielewicz Street.}

They were owned by upstarts and also people full of bombast, among whom one cannot know whether they are really rich men or only painted in the colours of rich men. Among them one often discovers that the father of the family jumped from a fifth story window and in this manner extricated himself from the complications of writing and receiving promissory notes, while his family members were enjoying themselves somewhere abroad in the best and most expensive spa.

Hundreds of old, solid, secure, firms have gone under. Many of their owners ran to Russia, where they ended their days as beggars or in a poor house. Many met the same fate in Warsaw, and in their last years dragged themselves down the same Genshe Street, ragged and tattered, unrecognized by their own former salesclerks, their heirs. This is a very interesting page of Jewish war history that must still be written.

One thing is clear. In recent years, the composition of the Jewish trade bourgeoisie has completely changed. In 90% of cases, we have before us an entirely new class, composed of previous salesclerks and office workers of bankrupted firms where they used to work. They lack the traditions and ambitions of the old firms and follow the principle of grabbing whatever you can and as much as you can because God alone knows what tomorrow may bring. This new post-war "morality" in the world of trade creates the most fitting atmosphere for the relaxed underwriting of little promissory notes, the acceptance of high interest rates, selling merchandise below cost in order to receive cash, and not taking to heart one's failure to honour the terms of promissory notes.

I sat with my acquaintance in his business at around six o'clock in the evening. Before the war, he had 22 employees, now only five. But there was nothing to do. They don't sell for promissory notes and no customers buy for cash. I saw the same situation in a few businesses that I visited.

Of course, among the newly founded firms there are also reliable, serious undertakings that actually have their own capital—but they are in the minority.

On the way I dropped in to a watchmaker, ostensibly to fix my watch. Before me sat a hunchbacked Jew with sunken cheeks and dulled eyes who appeared to be between 55 and 58 years old. He was reading a newspaper. From my conversation with him I learned that he was only 45 years old, that he had earned nothing for the last three days, but that

he could not deny himself a newspaper because otherwise he would go mad thinking about how to make a living and not coming up with anything. So he borrows a newspaper from the newspaper vendor. His children are in Russia, but he has no letters from them and he does not know whether they are alive. He ended: "One lives alone in need and in poverty, without consolation and without hope, and one begs for the Angel of Death, who refuses to come out of spite."

After visiting the depressed watchmaker I left for the headquarters of the Jewish trade unions. On the way I passed a street that was completely occupied by hat businesses and workshops. I knew the street well because I had lived there before the war. Besides that, I often visited the shops on the street with my relatives, who came from my hometown to Warsaw to buy merchandise.

The businesses were always swarming with customers. The provincial buyers used to have to wait for a long time before they were shown product. In the Warsaw tradition, a shop was small and narrow. Deep in the courtyard was its workshop, where ten or so young women worked. In the shop itself, the owners, their daughter or son, and a few non-family female employees served customers. The employees helped each customer select appropriate fashions. The young salesclerks already knew the taste of buyers from each Russian area. A Jew from Minsk received completely different merchandise than a Jew from Kherson.

Crowded into this kind of shop would be ten or so Jewish provincial buyers from Lithuania, Poland, White Russia, Ukraine, the Caucasus, and so on. There was a mishmash of dialects and tones, temperaments and characters. I used to often think that here is a splendid laboratory for scholarly Jews and philologists to study the variety of Yiddish types and pronunciations. Customers would remain in the shop until late at night, often with the doors and shutters closed. Customers would be let in and out through the door.

I was especially curious to see how the once-teeming street now appeared, so I visited it about five times, at various times of day. I always saw one or two young Jewish women standing perfectly still for a long time by the glass doors of the shops. Their eyes were straining, as if looking for someone, waiting and never seeing what they are waiting for. On their faces, dull and tired from doing nothing, the entire sorrow of the starved street was etched.

Here I sensed in its entirety the tragedy of the thousands and tens of thousands of Jews who had been employed in and around Jewish small industry, which worked for great Russia and is now cut off from that market. In the sorrow of the eyes of these few tens of young women, standing entire days leaning on the glass doors of the street's shops and looking out for someone who does not come, here for 15 years one can read the entire extent of the tragedy of thousands of Jewish workers and employees. They have lost their work and their trades, so they seek new sources of income but find nothing, and they discover also that the doors of all countries are barred and sealed to them.

One feels this even more in the emigration office. There I met 30 people, all workers or artisans. Not one storekeeper or merchant was among them—not because the latter do not need to emigrate, but because it is more difficult for them to obtain a visa and more frightening for them to leave their place. There is now absolutely no doubt that Jewish merchants, especially the small ones, are in a much sadder situation than artisans and workers. They certainly comprise a large percentage of emigrants, but first they or their children undergo a process of “productivisation.” That is, they earlier learned a trade and afterwards resolve to leave for a foreign country. They are ready to travel to any far corner of the world just to escape. They are ready to risk their lives, the quicker to transport themselves across the border. Sadly, however, the possibilities are tragically few.

Still, hundreds of people come to the emigration office and leave despondent: here is a quota and there one needs an invitation from relatives. Here one must be a farmer and there one must have a mountain of money—600 or 700 dollars—when disembarking from the ship. Some 20–25,000 Jews are now leaving Poland annually, about one-quarter of the total emigration from Poland, where Jews make up 10% of the population. But this is a drop in the ocean, a minimal number that can ease the situation of Jews in Poland very little.