Community and Commerce:
Polish and African-American Business in Early Twentieth Century Chicago.

Matthew Norvell

SENIOR HONORS THESIS
Submitted In Partial Fulfillment of Requirements of the
College Scholars Honors Program
North Central College

5/13/19

Approved: ___________________________ Date: __________
Thesis Director Signature
Dr. Ann Keating

Approved: ___________________________ Date: __________
Second Reader Signature
Prof. Patrick Gray
Chicago in the early twentieth century was in many ways a city of ethnic neighborhoods. Massive waves of immigration from central and eastern Europe in the late nineteenth century had resulted in Chicago becoming a city of immigrants. First and second-generation immigrants made up almost eighty percent of the city’s population in 1910.¹ German, Czech, Lithuanian, Italian, and Polish could be heard daily on the city’s streets, in its shops and saloons, and on the floors of the meatpacking plants and steel mills that had given Chicago its reputation as the “City of Broad Shoulders.”² While these immigrants worked together during the weekday, much of their time away from work was spent in ethnic communities that were largely separate from each other. Although Chicago’s immigrants were not totally geographically segregated from each other, the interaction between ethnic groups was limited. Each ethnic group possessed a set of institutions that, while not totally isolated from wider society, allowed immigrants to fulfill most of their needs interacting only with their co-ethnics. Poles represented one of the largest ethnic groups in the city at the turn of the century and they fell into this pattern of insular institutions as much as any other ethnic group.

In the second decade of the twentieth century African-Americans began to move to Chicago in significant numbers for the first time. These African-Americans, mostly migrants from the lower south, faced significant prejudice in their new home and they ended up in communities that were even further segregated than those of the European ethnic groups that had preceded them. As a result of this segregation, African-Americans created institutions that were even more separate from the wider city than those of the white immigrants, creating a kind of city within a city on the south side of Chicago.

Many of the institutions that Polish immigrants and black migrants looked to as community leaders were either remnants from their former lives such as churches and instruments of ethnic pride like Polish cultural organizations or black political organizations. However, these groups also looked to a new community institution, businesses. Poles and African-Americans would both have had very limited opportunity to own businesses in their previous lives as peasants and sharecroppers. In contrast, in Chicago, both groups contained a significant number of business owners. These businessmen and the businesses they owned came to hold a great deal of importance.

One of the best ways to determine the role that these Polish and black owned businesses had in their communities is the look at another important institution, newspapers. In the early twentieth century, every ethnic group in Chicago had one or more newspapers available to them published by their co-ethnics. The Chicago Polish community was served by a number of Polish language newspapers throughout the early twentieth century all of which maintained a significant readership. Among the most prominent were the Dziennik Chicagoski and the Dziennik Zwiazgowy. The African American community too had several publications produced by its members but none of them could match the stature of the mighty Chicago Defender that had a reputation as the greatest black newspaper throughout Chicago and also in many places outside the city. These newspapers both expressed the opinions of the communities they served and played an important role in shaping those opinions. As a result, the newspapers provide valuable insight into how these communities viewed businesses.

The characterization of businesses within the communities these newspapers served has several broad trends across all the publications. The writers in ethnic newspapers were often strong cheerleaders for the development of business within their ethnic group. They viewed
businesses and businessmen as drivers of community strength and often claimed that by supporting these businesses, community members could help improve the prosperity of the whole group. In addition, they often characterized businesses, particularly banks, as caretakers of the community. Poles added to these ideas a strong sense of nationalism and placed a particular emphasis on building and loan associations while African Americans, shut out of many good career opportunities by prejudice, emphasized the role of businesses as job creators.

**Prior Scholarship**

There has been a great deal of work written about nineteenth and twentieth century Polish communities in Chicago. However, the vast majority of this work has focused on the immigrant’s experience at the workplace and in unions as well as the struggle of Poles to live their daily lives in substandard housing. In the narrower field of ethnic institutions acclaimed Chicago historian Dominic Pacyga’s *Polish Immigrants and Industrial Chicago* provides the most comprehensive study. His focus is largely on the importance of Polish churches, neighborhood and fraternal organizations, schools, political activism, and labor movements. His sole mention of Polish owned business comes in his brief discussion on the cultural importance of saloons. James R. Barrett’s book *Work and Community in the Jungle* focuses largely on labor struggles and housing conditions. However, it does argue that saloons owned by white ethnics were significant cultural and community centers. *Lives of Their Own* by the trio of John Bodnar, Roger Simon, and Michael Weber focuses mostly on Pittsburg, however it makes solid arguments about the importance of immigrant building and loan organizations that are applicable to Chicago. *From Cottage to Bungalow* by Joseph Bigot is a close look at working class homeownership in Chicago during the late nineteenth and early twentieth centuries. It argues that
working class homeownership had a significant impact on Chicago’s development and provides excellent analysis of data concerning homeownership around the turn of the century. ³

More work has been done specifically looking at the southside African-American community. *Land of Hope* by James Grossman provides and excellent description of the institutions and culture of the Black Belt but provides little on the subject of businesses.⁴ A 1998 journal article by Robert Boyd called “Residential Segregation by Race and the Black Merchants of Northern Cities during the Early Twentieth Century” takes the subject of black business ownership head on. It argues that segregation was less of a boon to black businesses than was formerly believed. In addition, Carl Osthaus’ “The Rise and Fall of Jesse Binga, Black Financier” gives the biography of one of 1920’s Chicago’s most prominent black businessmen.⁵ Both of these articles create a good starting point to begin discussion about black businesses in Chicago.

**Peasant in the Old World Proletariat in the New: Pole’s Journey to Chicago**

The nineteenth century was a period of rapid change throughout the Atlantic world. Global capitalism, a force that had been building for several centuries, came fully into something

---


resembling its modern form and combined with the innovations of the industrial revolution to
totally remake society at all levels. It was developments related to these larger forces that would
push millions of Poles to emigrate from their homeland over the course of the nineteenth century.
These same forces would determine that Chicago would be their eventual destination.

Throughout the nineteenth century, European Poles were governed by the three major
powers that had swallowed up the Polish-Lithuanian Commonwealth in the partitions of the
eighteenth century: Austria, Russia, and Prussia (after 1871 the German Empire). Poles in each
nation’s territory had unique experiences but several broad trends prevailed everywhere. In an
effort two push their nations toward a modern, capitalist economy, each of the three governments
had emancipated their serf populations by the mid nineteenth century, a major step in destroying
the last ties to the old feudal order. This development was initially a boon to the peasant classes
but a concurrent population boom and increasing consolidation of small farms into large estates
meant that more and more Poles were without land. Following trends that would come to
dominate the nineteenth century, many of these people chose to leave their homes and search for
prosperity in one of the many growing industrial centers of the world.ª

Thus, as a result of these trends, the late nineteenth and early twentieth centuries was
marked by a massive exodus of Polish people from their homeland, eventually totaling
approximately three million emigrants.² Poles scattered all over the world, but a
disproportionately large number landed in the United States. Between 1899 and 1932

---

approximately 1,780,000 Poles entered the United States and by 1932 the Census counted Poles and their descendants at 4,227,734.

A sizable number of the Poles that immigrated to the United States would eventually settle in Chicago. An observer at the turn of the century looking for the city most benefited by the new world economy would have been hard pressed to find a better candidate than the Windy City. Founded as a trading post in the early nineteenth century, Chicago’s advantageous position at the western edge of the Great Lakes allowed it to quickly become a center for world trade. Raw materials from the Midwest and Great Plains could easily be transported from Chicago through the Great Lakes system to either the St. Lawrence River or the Erie canal at which point they could enter the Atlantic market. The construction of the Illinois and Michigan Canal in 1848 and the development of railroads would only enhance Chicago’s status as a trading city. The Civil War saw the rapidly growing Chicago come into its own as not only a transporter of goods but a manufacturing hub. The raw materials drawn from the hinterland could now become finished products in the city and shipped out for distribution around the world. Chicago developed huge steel mill and meat packing complexes during the latter half of the century and by the century’s close could lay claim to the title of the America’s industrial capital and one of the most heavily industrialized cities in the world.

The vast majority of Poles in Chicago ended up working as unskilled industrial laborers. A large proportion worked at the Union Stock yards and the meatpacking plants that surrounded the complex. As a result, Poles largely settled in the neighborhood that surrounded the stockyards commonly referred to at the Back of the Yards or Packingtown, although there were

---

8 Dominic A. Pacyga, *Polish Immigrants and Industrial Chicago*, 17.  
significant populations elsewhere in the city, particularly around the south side steel mills and on the west side. Once in Chicago, Poles came into contact with a litany of other ethnic groups that called the city home. Poles would have rubbed shoulders with Lithuanians, Irish, Germans, and increasingly African-Americans while at work or going about their day. While they worked together with these groups in the workplace and sometimes saw them as allies in labor struggles, for the most part Polish Americans were, like most of the other recent immigrant groups, largely an insular community. Often faced with hostility from the native-born population and sometimes at odds with their neighboring immigrant groups, Polish Americans sought to carve out a world of their own in Chicago. Poles went to Polish Churches, sent their children to Polish schools and generally made an attempt to keep their community theirs. One striking trend was the lack of interethnic marriages among the first generations of immigrants. A 1905 study found only five of the 284 households surveyed Back of the Yards were between members of two different ethnic groups.

There was a benefit to this isolation. By keeping themselves separate in many ways from wider American culture, Polish-Americans were able to create strong, familiar institutions that allowed them to better navigate the world that they found themselves in while also preserving their culture. The society that they built in Chicago in many important ways mirrored the one that they had left behind in Poland. The Catholic Church had served as the main center of community organization in the Polish countryside and it continued to be the most important institution in Polish society when it was transplanted into Chicago. Polish parishes proliferated quickly throughout the city and by the early twentieth century, the Back of the Yards alone.

---

housed three different parishes.\textsuperscript{13} These parishes and the churches they built stood as testament to the immigrant’s strength and operated as instruments for the transmission of traditional Polish culture to new generations born in America.\textsuperscript{14}

Even as they focused on rebuilding their culture form the old world, Polish Americans were looking to new institutions as well. Chicago in the late nineteenth and early twentieth centuries was one of the most commerce driven cities in the world. It stood as the industrial capital of the United States and fortunes were constantly being made (or lost). In 1887 the London Times disparagingly reported that, “and overhanging pall of smoke; streets filled with quick moving people, a vast aggregation of railways, vessels, and traffic of all kinds; and a paramount devotion to the Almighty Dollar are the prominent characteristics of Chicago.”\textsuperscript{15} In this money-centric environment, entrepreneurism was held in the highest esteem, so it is unsurprising that around the turn of the century many in the Polish community, including the editors of the major Polish newspapers, saw Polish businessmen as one the most effective ways that the community could get ahead in their new home.

\textbf{Community Caretakers: Polish Newspaper’s Views on Polish Commerce}

There are countless examples of business discussed in Polish language ethnic newspapers and they fall into several categories. The first broad category is a call to action to grow Polish business. There were repeated efforts during the period between 1890 and 1920 for Poles to develop business associations that would help provide mutual aid for the small business owners who were members and encourage the founding of new businesses within the community. An

\textsuperscript{13} Dominic A. Pacyga, \textit{Polish Immigrants and Industrial Chicago}, 135.
\textsuperscript{14} Dominic A. Pacyga, \textit{Polish Immigrants and Industrial Chicago}, 136.
1892 editorial entitled “Why Don’t we Establish Associations?” points out the relative success of Irish, German, and Jewish enterprises and asks why the Poles have been unable to create any more than, “Smoke-filled saloons and....small grocery stores.”**16** It criticizes the local community for its willingness to support a hunting association but not a business association. However, it suggests no solution, finishing by saying, “The sole purpose of this article was to point out the indolence of the Polish people in this respect.”**17**

It appears that some members of the community had attempted to fulfill this goal by the early twentieth century. A 1905 article discusses a “Polish Druggists Association,”**18** that was meant to help Polish druggists pool their resources to market their wares and also provide an opportunity for the druggists to fund charity organizations. By 1914 it appears that a “Polish-American Businessmen’s Association of Chicago,”**19** had been founded to fill a similar role for Polish Business of all stripes and provide business training for the community’s young people.**20** Not everyone was satisfied by these developments, however, a 1918 editorial decried the communities focus on larger Polish businesses and bemoaned the lack of a cooperative association focused on the development of small, startup businesses. The editorial talks about an association of Polish businesses in Prussian Poland that had succeeded in developing Polish small business and complains that, “the operation of the institution in Poznan, thanks to which

---


**17** “Why Don't We Establish Associations?” *Dziennik Chicagoski*. June 08, 1892.


the Poles there have won their economic war with the Germans. The same could have been done here in Chicago, but, because of lack of perseverance, it has not happened.”

Another variety of article falling under the broad category of business development were pleas to shop at Polish stores. A December 1911 editorial entitled, “Trade at Your Own Stores” makes a forceful plea for Polish-Americans to spend their money exclusively at Polish businesses during the upcoming Christmas shopping season. It is framed as a community wide struggle to raise the general economic standing of the whole ethnic group. The author claims that while many Polish-Americans expressed a desire to see Polish commerce grow, they were unwilling to commit to shopping only at Polish stores. “We need therefore less mottoes, less empty phrases, less vacant prattle, but more action, greater solidarity on every score. Until we Poles force our way to a higher place in business and commerce, we shall continue to be the ordinary hired men of foreigners.” it thunders, playing to ethnic and community pride and combining it with the desire for better working conditions to persuade Poles.

Both the calls for business associations and the pleas to shop at Polish establishments play off the idea that by strengthening the Polish business sector, Poles are ensuring that they will be able to thrive in the United States. The underlying assumption is that although Poles were not particularly strong as a group at the time, they could become strong through commerce. Allowing the whole ethnic group to rise above their station as wage laborers and join the middle class.

---

It was not uncommon for the articles about Polish business to have appeals to nationalism and a somewhat combative tone when discussing the relationship of Poles to other groups. The growth of Polish business was not seen simply as something that would help lift the community into better economic conditions, it was also an act of war in the constant perceived conflict with the other ethnic groups of the city. One writer chides readers because of, “the fact that many of our people have been seen making purchases at the establishments of our most bitter enemies--the Germans--as well as at the places of those leeches--the Jews,” and later claims, “the Jews, for example, who have seldom earned an honest dollar.” Germans and Jews were natural choices for the author to hold up as enemies and competitors.²³ Anti-Semitism has a long history in Eastern Europe and many Poles resented Germany for its role in the downfall of the Polish state. These prejudices had crossed over the Atlantic with Polish immigrants and were still very much a part of many Polish-American’s worldviews. Through these prejudices the push for more Polish business in Chicago was tied in a tangential way to the worldwide Polish nationalist movement.

There is a pervading sense in many of the articles that any money spent outside the Polish community is a loss to the community as a whole and a boon to the “enemies” of the Poles. Reflecting this sentiment, one writer gave advice to the local Polish housewives, “Let our housewives consider it a national sin to pass up Polish merchants in order to enrich Jews or Germans. Your husbands have to work hard for these dollars, which you sometimes lightly, without due consideration, spend; therefore at least let them go to our own people--to the Poles.”²⁴ Here again anti-Semitism and anti-German rhetoric is used as part of the plea.

---

²³ “Why Don't We Establish Associations?” Dziennik Chicagoski. June 08, 1892.
²⁴ “Trade at Your Own Stores.” Dziennik Związkowy, December 14, 1911.
addition, this excerpt casts women as the primary agents of shopping and spending, giving a window into the gender roles prevalent in the community at the time.

While it is important to note that Polish language newspapers represented one of the more intensely nationalistic elements of Polish-American society and these opinions may not have been shared by every Pole, the characterization of the growth of Polish business as part of a conflict against other ethnic groups is an interesting window into the interethnic conflict that sometimes occurred in the city in the early twentieth century.

One more way that Polish business was discussed in Polish language newspapers was as caretakers of the community. The aforementioned 1905 article concerning the Polish druggists’ association is an interesting example of this sentiment. The author states, “It was resolved to determine how much better are the preparations of their own manufacture in Polish and Lithuanian drug stores, and how harmful are the patent medicine preparations purchased in department stores at cut-rate prices.”25 This statement casts the Polish druggists as not just businessmen but also defenders of the community. They aren’t just selling their wares to their countrymen, they are shielding the community from snake oil salesmen and harmful, poorly made drugs. However, this attitude was never more prominent than when Poles talked about their community’s financial institutions.

**Banks, Building and Loans, and Homeownership**

One of the institutions that was most commonly pointed out as a caretaker of the Polish community were banks. It appears that there was as significant problem with poorly run banks in Chicago around the turn of the century. Many immigrants at the time sent much of their money

---

to relatives in their home country. This process was generally handled by banks, but many illegitimate and even criminal organizations existed that would steal this money. A 1916 article complains of how, “Many of our people, who are otherwise suspicious of everything, fall easy prey to the word ‘bank’ on a window.”26 Polish owned banks were presented as the remedy to this issue, a 1906 article declares, “We need a Polish bank, Polish funds are deposited in other various banks, often in uncertain or dishonorable ones.”27 Happily, such a bank appeared several years later in the form of the Northwestern Trust and Savings Bank. This bank was heralded as the savior of wayward Poles who would otherwise have simply lost their money to a crooked bank or never have learned to trust banks and saving at all. A 1917 profile of the bank claimed that, “The Northwestern Trust and Savings Bank has taught thousands of Poles to be thrifty and has aided thousands in conducting their businesses. Those who have been saving a few dollars a month are well off today. They have been able to purchase real estate, they have gone into business, and they do not have to worry about poverty and bad times as do less thrifty people.”28 Here the bank is not only the protector of Polish money but also a teacher that gives immigrants the knowledge and peace of mind that they need to save their money and thus move up the social ladder. The article celebrates that, “Even ‘old country’ people who formerly kept their money hidden in trunks, mattresses, quilts, and other odd places, are bringing their saving to the Northwestern Trust and Savings Bank.”29

While traditional banks commanded the respect of Chicago’s Polish newspapermen, there was another financial institution that was seen as even more important to the growth and wellbeing of Chicago’s Polish community, the building and loan association. Building and loans, sometimes called savings and loans and referred to by some poles as “Skarbs”\textsuperscript{30}, were mutually held institutions that focused lending almost entirely into mortgages. Their members were generally located within a fairly narrow geographic region, and they normally came from the same community. Building and loans were first established in the United States in the mid nineteenth century and by the early twentieth century had become ubiquitous, especially among tight nit immigrant communities. The major innovation that building and loans debuted was the amortized house mortgage. Mortgages throughout the nineteenth century had typically consisted of a series of interest payments spread out over a period of up to seven years with a lump sum payment of the principle due at the end of the term. This situation was less than optimal for many working-class families who struggled to come up with the lump sum at the end of the term. Under this framework, “The debt was rarely paid in full except after several renewals,”\textsuperscript{31} and many families suffered foreclosure. With the goal of allowing working class people to purchase property, building and loans offered amortized mortgages, allowing the principle of the debt to be paid off over time in small increments, a development that allowed many workers to purchase homes that would otherwise have been out of reach.

The most popular form of the building and loan in the nineteenth century had been the “terminating plan” building and loan. Under this system, a limited number of people purchased shares of a building and loan association at its inception. The shareholders made monthly


contributions to a common fund and this fund was used to lend money to members of the association who would pay back their loan with interest, increasing the value of the association. After a fixed period of time, these shares would reach a matured value, usually $100 each, and the association would be disbanded. This system had several glaring issues, the most pressing was fact that in order to buy into an existing building and loan, a new member would need to pay all the dues that had been paid since the creation of the association, making buying in a prohibitively expensive venture. By the early twentieth century, most building and loan associations had transitioned to a more permanent, modern system of organization. Instead of relying solely on a single offering of stock, building and loan associations began to offer individual accounts for their members that could be opened or closed at any time. These accounts functioned more like traditional bank accounts, offering interest for saving and utilizing the money deposited for lending. They allowed building and loan associations to increase their membership, and therefore their pool of money available for lending, at a far greater rate than the “terminating plan”, greatly increasing their effect on the housing market.32

Homeownership was an important goal for many Polish immigrants. Part of the motivation for buying a home was economic. Homeownership was, “the most common form of wealth accumulation achieved by persisting unskilled workers and newcomers,”33 in the United States. In addition, many poles in Chicago purchased homes that were designed for multiple families and therefore well suited for renting. This created a class of “ethnic landlords,” who were able to use this extra income to help their families climb into the middle class.34 There were also cultural benefits to homeownership. Owning a home allowed poles to “become

34 Joseph C. Bigott. From Cottage to Bungalow, 145.
respectable,” and helped to create more robust and permanent communities. Given this long list of benefits, it is small wonder that in many neighborhoods immigrants owned homes at higher rates than the native born. Furthermore, the phenomenon of Polish homeownership was not limited to the small Polish middle class. In fact, around the turn of the century, homeownership rates were actually higher in Chicago’s lower property value wards than in some of its most more affluent areas.

Unsurprisingly, this focus on homeownership meant that building and loan associations occupied a position of prominence in Chicago’s Polish community. This prominence was reflected in newspaper coverage. One 1928 article quoted a Catholic Priest who put building and loans on the same level of importance as churches, saying “Just as each of our parishes is a defender of its right to teach the Polish language and traditions to our children, so is each of our associations a fortifier of our common good.” Another 1921 article further highlighted the importance of building and loans, claiming that a single building and loan institution, “made it possible for thousands to own homes.”

As with many of the discussions concerning Polish shopping establishments, the discussion of Polish building and loan associations sometimes took a nationalist character. A 1918 article reporting on the preceding of the most recent meeting of the League of Polish Building and Loan Associations of Illinois described an argument that occurred over whether or not

---

35 Joseph C. Bigott. *From Cottage to Bungalow*, 145.
36 Joseph C. Bigott. *From Cottage to Bungalow*, 162.
38 Joseph C. Bigott. *From Cottage to Bungalow*, 123.
not the organization should remain affiliated with the International League of Building and Loan Associations. The Polish League eventually settled on withdrawing from the International League because, “It was established that the officials of the International League were Germans and Jews, whose sole interest was not the welfare of the Polish building and loan associations but rather their own financial profit.” Here again the reoccurring enemies of Germans and Jews are seen as a threat to the well being of the Polish community.

As the third decade of the twentieth century began, the Poles had established themselves as one of the preeminent communities in Chicago and Polish businesses were growing in number and importance. However, demographic change was coming to the city. Chicago, up until this point a city of immigrants, would by the end of the 1910’s also be home to large numbers of a new kind of migrant, African-Americans from the lower south.

**Going North to Find Fortune: African-American Migration to Chicago**

For most of the history of the United States, African-Americans had lived almost exclusively in the South. However, by the early twentieth century, conditions in the southern states had become increasingly difficult. The degradation of soil in the old cotton growing areas in concert with the introduction of the cotton-destroying parasite known as the boll weevil had led to increasing instability in the cotton market upon which a huge number of African-Americans relied to make a living. These issues, combined with the deeply repressive sharecropping system resulted in what a contemporary black sociologist referred to as a, “profound restlessness,” among the southern black population. In addition to their economic

---


concerns, southern African-Americans were forced to deal with the daily pressures of the ever more restrictive Jim Crow laws that had been foisted on blacks by white “redeemer” politicians in the decades after Reconstruction. By the turn of the century the segregation of Southern society was nearly ubiquitous and the political and economic domination of whites totally assured.43

In this environment, it was perhaps inevitable that a migration of large numbers of African-Americans would occur if the opportunity for one presented itself, and in the second decade of the twentieth century, one did. With the outbreak of the First World War in Europe in 1914, the stream of immigrants that northern factory owners relied upon for laborers rapidly dried up. This cessation of European immigration combined with huge new orders for war material meant that industrialists were desperate for new laborers. African-Americans would eagerly fill that void. Many blacks in the south had considered northern cities as possible refuge from their problems for many years. The view of the north as a prosperous place where racial prejudice was less intense and educational opportunities were available was widespread among southern blacks. This was partly as a result of northern black newspapers like the Defender, which enjoyed widespread readership in the south. In its reports the newspaper frequently drew contrast between the oppressive conditions of the south and the supposedly more equitable northern cities.44 Consequently, when northern businesses began to send labor recruiters south, they found a black population both discontented with their current station and willing to entertain the idea of moving north. The labor recruiters proved one important driver of migration but perhaps more important was a shift toward more aggressive advertisement of northern migration

by the Defender itself. Its editors, seeing a possibility for advancement of African-Americans in
the north, stopped simply using northern cities to draw contrast with the south and began to
actively urge black migration to industrial cities in the late 1910’s. As black southerners began to
move north, they sent back stories of wealth and opportunity, further encouraging migration and
causing the trickle of black migrants to quickly become a flood. 45

As one of the premier industrial cities of the north, as well as the home of the influential
Defender Chicago was a natural choice of destination for migrants seeking a new life in a city.
Sitting at the northern end of the Illinois Central Railroad system that ran through the Mississippi
delta region, most of Chicago’s migrants naturally came from that area. 46

African Americans entering the city for the first time encountered a world that was
unlike any they had known before but was also most likely significantly unlike the one that they
had read about in the newspapers. Once they disembarked from their trains, the vast majority of
black southern migrants quickly made their way to the large, thriving and quickly growing
African American community on the south side. This region, called the “Black Metropolis” or
Bronzeville by its inhabitants and the “Black Belt” by whites, was situated a few miles south of
the loop and conveniently close to the Illinois Central railroad terminal that marked the arrival
point of most migrants. The neighborhood resembled in many ways those created by Chicago’s
many immigrant groups. Blacks sought out a familiar community that would ease their transition
to city life and provide them with a support system made up of people enduring similar trials and
tribulations. However, while immigrants’ decision to live in ethnic enclaves was one made
almost entirely by choice, blacks often had few other options for housing. White communities,

while in the past tolerant of, if maybe not particularly pleased about, extremely small numbers of African-Americans living among them, became increasingly hostile toward integrated neighborhoods as more and more black southerners made their way to the city.\textsuperscript{47} White realtors inserted racially based “covenants” into housing contracts that restricted the sale of homes in white neighborhoods to blacks and when that failed, some whites resorted to violence. The result of this white resistance to black settlement outside of Bronzeville was a constant overcrowding issue. The extremely limited supply of housing for African Americans meant that lower class black migrants payed significantly more in rent than any other ethnic group. One contemporary sociological study put the average rent for blacks at $12.00 a month for the same square footage that their working-class immigrant neighbors were renting for $8.50.\textsuperscript{48}

African-Americans in Chicago were also victims of widespread prejudice that came in many forms. This is not to say that the race relations in Chicago resembled those found in the south at the time. Migrants would likely have immediately noticed the lack of official segregation in the city. In addition, gone was the complex web of race-based behaviors designed to keep blacks in a subservient social role that prevailed in the south. Many blacks appreciated the change, celebrating the fact that they could sit where they pleased on public transportation,\textsuperscript{49} didn’t risk violence by failing to properly address whites, and didn’t have to be, “afraid to walk the streets at night.”\textsuperscript{50} or live with a constant, “fear of mob violence.”\textsuperscript{51} Yet, while they were free of the rigid legal segregation and obsession with race hierarchy that characterized southern culture, African-American migrants would now have to learn how to navigate the complicated

\textsuperscript{48} Dominic A. Pacyga, \textit{Chicago, A Biography}, 206.
unwritten racial rules that governed life in Chicago. Racial violence, though markedly less of a threat that it had been for African-Americans living in the south, still occurred with an alarming frequency. A newly arrived migrant unfamiliar with the ethnic geography of early twentieth century Chicago was likely to wander into the wrong neighborhood as did renowned poet Langston Hughes when he strolled, "Over beyond Wentworth," and was, “set upon and beaten by a group of white boys,” 52 This sort of racial violence resulting from transgressions against the unspoken and invisible “color lines” that existed everywhere in Chicago was exceedingly common but normally stayed small scale. The glaring exception to this was the 1919 race riot. Sparked by the death of a sixteen-year-old black boy at the hands of a white man who had been angry that the boy had floated toward the de facto white portion of the Lake Michigan beach, the race riot lasted for eight long days and resulted in thirty-eight deaths. 53 To black Chicagoans who had come north to escape the racial prejudice of the south, this event would certainly have made clear that while they may have escaped some of the legal discrimination and humiliation of the south, Chicago was far from the race-neutral paradise that had sometimes been pitched to them.

Faced with an unfamiliar and sometimes openly hostile city, African-Americans in Chicago reacted in somewhat similar ways to the immigrants who had come to the city in the decades before, they created their own institutions and attempted to utilize them to gain wealth and power. Like in the Polish enclaves nearby, the small businesses owned by African-Americans that operated within their community played an important role both tangibly and symbolically to the people living in the neighborhood. However, in some ways, the African-American experience was set apart from that of the Poles. Chicago’s black community was

52 James R. Grossman, Land of Hope, 118.
53 Dominic A. Pacyga, Chicago, A Biography, 210-212.
segregated from the rest of the city in a way that Poles simply weren’t and this had important
effects of the development of the economy of that area. Some have even gone so far as to call it a
separate but somewhat distinct, “city in the middle of Chicago.”

Providers for the Race: The Defender’s View on Black Businesses

There has been significant discussion among historians and activists as to what effect this
unusual level of separation had on black owned businesses. Some have seen the “color line” as,
“a ‘wall of protection’ for Black entrepreneurs in the early 20th Century.” There is significant
evidence that increased segregation led to increases in black business ownership rates. However,
it is also very clear that by being cut off from the larger economy, African-American business
owners were suffering from at least as many disadvantages as they were gaining benefits.

Regardless of whether or not segregation actually harmed or helped African American
business owners, the idea of creating a separate economy for the black community was an
alluring one to many of its leaders. The aforementioned Chicago Defender was naturally a
constant, unabashed proponent of black business and its characterization of black business’ role
in the community is remarkably similar to the ideas that were championed repeatedly by the
writers of the various Polish publications. A December 1914 article roundly chastised black
consumers for shopping at non-black owned business situated nearby Bronzeville. This article
showcases the very same concern that so preoccupied Poles in Chicago, the idea that outsiders
were sucking wealth out of the community and that if community members would shop at stores
owned by members of their own race, they would be able to advance as a group. The article’s

54 Dominic A. Pacyga, Chicago, A Biography, 206.
55 Robert L. Boyd, “Residential Segregation by Race and the Black Merchants of Northern Cities during the Early
Twentieth Century,” 596.
56 Robert L. Boyd, “Residential Segregation by Race and the Black Merchants of Northern Cities during the Early
Twentieth Century,” 606.
subheading summarizes the tone, “Caucasians of Every Tongue grow Fat and Rich and The Race\textsuperscript{57} Gains Nothing.”\textsuperscript{58} Later in the article, the author goes on to implore readers to only shop at establishments that are owned by African-Americans or employing significant numbers of black workers. He reminds black Chicagoans that, “The race has power in its hands”\textsuperscript{59}. This plea to patronize black business in order to strengthen the community closely mirrors the pleas made by Polish writers in their own newspapers. However, this article also brings up another issue that was much more unique to the black community. Even in the booming war economy, African-Americans sometimes struggled to find work outside of the generally low-paying service sector.\textsuperscript{60} Thus, any opportunity to open up other kinds of employment to members of their race would be highly important for African-Americans and there was significant emphasis by black writers on the creation of good paying job opportunities for the community, something that was largely absent in Polish discussions of businesses.

The issue of jobs was addressed in a 1917 Defender article entitled “Unfairness: No Discrimination Against Our People as Money Spenders, but as Money Earners It's Different” Here the author complains bitterly that many businesses operating in the vicinity of the black community do not have many black employees. He points out that, “it must be a case of prejudice, this refusal to give employment to members of The Race”\textsuperscript{61} because, “We have

\textsuperscript{57} The Defender was one of the first publications to object to the usage of the word “negro” positing that it was a demeaning term forced on the African-American community by outsiders. With “black” not yet in widespread usage, “the race” became the most common way for the newspaper to refer to African-Americans with “race man” or “race woman” being the singular form. “Afro-American” also appears to have been in use but it is much less common.


\textsuperscript{60} James R. Grossman, Land of Hope, 127.

hundreds of girls and young men who are abundantly qualified to hold positions in these places.” He also reminds the readers that African-Americans hold significant power in the situation because the continued operation of these businesses, “depends upon the financial support of our race.”

It is interesting to note that the calls for business in the black community put significantly less emphasis on the necessity of all business owners in the community being black than the appeals for Polish business discussed earlier. It is possible that the authors were operating with tempered expectations due to past negative experiences, it is also possible that the writers of the Defender, operating from a desire to see blacks more accepted into mainstream American life, saw racial cooperation in a more positive light than the intensely nationalistic creators of Chicago’s Polish language newspapers. Nevertheless, while there was less of an emphasis on all of the businesses in the black community being black owned, there was still frequent promotion of the idea of black entrepreneurship and passionate calls for more African Americans in business. In 1914, the Defender ran an article profiling the development of black business in St. Louis comparing it favorably to Chicago’s community and elevating business to the level of religion and education as the most important drivers of “racial development,” and caretakers of the community. An article with a similar tone from 1915 again urges more blacks to get into business stating that, “Money Creates Power;” so, “Why Not Keep the Money in the Race?” The article adds that black business owners need to act more aggressively and (in what is perhaps

---

a bit of a self-serving statement) suggests that they advertise more often, particularly in black newspapers.66

**Jesse Binga and Black Banks**

Any discussion of black Chicago’s business community in the early twentieth century would certainly be incomplete without the mention of black Chicago’s biggest businessman, Jesse Binga. Binga thoroughly dominated the economy of Bronzeville during the late 1910s and the 1920s. An early arrival to Chicago, he had begun to buy real estate in the late nineteenth century, an investment that would pay off handsomely as the huge numbers of migrants packing themselves into the limited space on the south side caused land prices to skyrocket. Using the money he’d made from his real estate ventures, Binga started a number of businesses. His most celebrated venture was the Binga State Bank, the most important black owned bank in Chicago and one of the most prominent in the United States. By owning this institution, Binga was taking up a role as the caretaker of the whole community. Mirroring the role of Polish banks and building and loans, the Binga State Bank lent to black homeowners and businessowners with an eye toward the advancement of the group. Binga’s bank represented the best option for an African-American to get a loan without having to deal with the skeptical bankers in the loop who often denied African-Americans loans on the basis of minor issues.67 Thus, he allowed for much development in the neighborhood that had previously been impossible. Black Chicagoans loved him for it. The *Defender* acted as a cheerleader for the bank, reporting on all of its major

milestones and claiming that, “There is no institution more vital to the community than this bank”⁶⁸

Binga didn’t limit himself purely to matters of business, in 1929, at the height of his power, wealth, and popularity he built a massive multipurpose building called the Arcade Building. The building, which housed a ballroom as well a number of offices became an important point of pride for Chicago’s black community.⁶⁹ As his prominence grew, Binga more and more became the spokesperson for black Chicago, he had never set out to make explicitly political statements but his move to a white dominated street right on the border of Bronzeville and subsequent endurance of five bombings turned him into a symbol of strength and resistance to persecution for black Chicagoans.⁷⁰ Binga’s reign at the top of the world was not to last however, with the advent of the Great Depression, the Binga State Bank began to have financial issues. The bank failed in 1930 but Binga’s troubles were just beginning, his bank was investigated, and he was charged with embezzlement and found guilty in 1933. He was released in 1938 and died penniless in 1950.⁷¹ Jesse Binga, despite his eventual demise, showed how important a businessman could be for a community. He was a beacon of hope and a role model for many of the residents of the Black Metropolis and he was first among the many business owners that were seen by the community as the driving force toward a better future.

It is important to note that while African American owned banks like Jesse Binga’s were often discussed in the Defender, there was little discussion of African American building and loan associations. With the prominence of such associations among poles and other ethnic groups.

⁷⁰ Carl R. Osthaus “The Rise and Fall of Jesse Binga, Black Financier,” 49.
⁷¹ Carl R. Osthaus “The Rise and Fall of Jesse Binga, Black Financier,” 57-60.
in the city, there is some question as to why no parallel organizations were created in Chicago’s African American neighborhoods.

The lack of African American building and loans was undoubtably linked to the lower rates of home ownership experienced by African Americans when compared to poles and it is perhaps this disparity that must be explained first. The most straightforward explanation is that the higher housing prices in Chicago’s black neighborhoods discouraged homeownership and therefore building and loans were simply not seen as necessary. It is also possible that the answer is a cultural one. It is conceivable that, “Since blacks were systematically denied the opportunity to acquire property during and after slavery, ownership as a particular form of status or prestige may have had less significance for blacks than for eastern and southern European groups.”72 This too would have had a dampening effect on demand for building and loans. Finally, it is possible that the lack of a centralizing force in the African American community prevented the creation of cooperative institutions like building and loans. Polish neighborhoods were already centralized around Catholic churches, a situation that encouraged the creation of cooperative groups.73 African American neighborhoods contained no comparable institutions and this fact may have stood in the way of the creation of building and loan associations.

Conclusion

In the early twentieth century, Chicago’s Polish and Black communities both sought stability far from home in an unfamiliar urban setting that was radically different from anywhere that they had ever seen. Both took refuge in ethnic enclave neighborhoods where a common culture and religion, shared struggles, and a general sense of ethnic affinity helped to ease the

---

73 Dominic A. Pacyga, *Polish Immigrants and Industrial Chicago*, 126.
transition into the new city environment. The groups turned to institutions to help provide a grounded sense of community. Among the most prominent of these institutions were Polish and African American owned businesses. Living amidst the global Polish nationalist movement, Chicago’s poles extended their nationalist attitudes into the business realm, viewing Polish shops as an element of Polish pride and seeking to compete with the other ethnic groups in the city. Due to their preference for homeownership, poles also placed a great deal of value in Polish building and loan associations. In response to widespread discrimination in employment, African Americans emphasized the role that black owned businesses had in providing good jobs for their community. Both groups saw businesses and business owners as role models, points of community pride, and caretakers who would help the group along to a better life.
Bibliography


This book examines the lives of workers Chicago’s stockyards. The author makes the case that rather than being the hopeless, wretched victims that they were often portrayed as, these workers were actually very active. They formed unions with the goal of improving their standing and took steps to form a strong community in their neighborhoods. He also discusses the relationships between the different groups within the city, focusing on a number of issues that either pushed the different groups to work together or drove a wedge between the communities. This book should help supplement my work with the FLPS.


This book is a general overview of African American History. It tells the story as one of four major migrations, one across the Atlantic as the slave trade, one west during the antebellum period, one north during the Great Migration, and one that includes modern immigration. For this paper I used it primarily as a resource for the conditions in the south before the great migration.


This book is a detailed study of home ownership among working class people in Chicago. The author seeks to refute the longstanding narrative that working class immigrants were totally cut off from home ownership and always lived in squalor, a myth created by social reformers at the end of the nineteenth century and perpetuated by an over reliance on those reformers as historical sources. This book is focused on home ownership but sections of it focus on business ownership by immigrants and the ways immigrants organized their lives so it should prove useful.


This book is an examination of immigrant and African-American communities in Pittsburgh during the early twentieth century. It focuses largely on how these groups organized their communities. Although it is focused on Pittsburgh, it contains a lengthy section on work and home ownership that was utilized for this project.


This paper focuses on the creation of black businesses in segregated northern cities during the great migration. The author describes how the existence of tightly concentrated
populations of African-Americans provided opportunities for black business owners to open businesses that they otherwise would have been shut out of. This allowed for there to be a kind of “parallel economy” within these neighborhoods. The author concludes that this economy, while significant, was never self-sufficient in the way that contemporary reformers wished it to be. He also concludes that while the segregation of blacks provided some extra opportunities, these opportunities were not enough to make up for those lost to segregation.

**Chicago's Community Areas. Encyclopedia of Chicago.**

This map shows the border of the different neighborhoods of Chicago that were determined by University of Chicago sociologists in the mid 1920’s in order to help with the sociological study of the city. The neighborhoods are based on historical divisions of ethnic groups within the city and while they are not exact for any time period, they are reasonably applicable to the time period to be studied in this project. This map was useful for describing the different neighborhoods within Chicago during the early 20th century. It is a part of the Encyclopedia of Chicago.

**The Chicago Defender.** Chicago Public Library. Online Newspaper Archive.
[https://www.chipublib.org/resources-types/newspaper/](https://www.chipublib.org/resources-types/newspaper/)

The Chicago Defender is a newspaper that has been one of the most important African-American publications in the United States for much of its history. It was especially prominent in the early to mid-twentieth century. During that time, the newspaper was one of the best places for African-Americans to find a voice, both in Chicago and nationally. This resource will be immensely helpful in understanding the unique position of African Americans within the patchwork of communities in turn of the century Chicago. I intend to use it similarly to the Foreign Language Press Survey, as a resource for identifying prominent black businesses and the black community’s perception of African-American business ownership.

**Foreign Language Press Survey.** Newberry Library. Digital Collection.

The Chicago Foreign Language Press Survey was a project that was funded by the WPA in the mid 1930’s with the intent of translating Chicago’s many foreign language newspapers into English to make them more widely available for scholarship and study. The collection was published in 1942 and has since been digitized. The collection consists of translations of newspapers published from 1855 to 1938 from 22 different ethnic groups within the city. As a resource was extremely useful for judging the prominence of different ethnic group’s business ownership within their communities during this period.


This book focuses on the “Great Migration” of African Americans from the south to northern cities during the First World War. Its main focus is on the movement of African-Americans from Mississippi to Chicago. It first discusses the reasons for migration and the
expectations that the migrants had when leaving the south. Then, it examines how the migrants reacted when they arrived in Chicago, the world they entered there, how they reacted to this world, and how they established themselves socially and economically in the city. This will help provide me context for my work with *The Defender*.


This paper follows the life of prominent black Chicago businessman Jesse Binga. Binga started out as a real estate agent for the small black community in Chicago in the early 1900’s. His business grew steadily and then exploded with the advent of the Great Migration. He eventually had his hands in a dozen different industries and, most importantly, opened the Binga State Bank. The object of this bank was to provide a line of credit for black families and businesses that had struggled to obtain loans from the white owned banks in the city. The bank was a huge success in the 1920’s but closed in 1930 as a result of the Great Depression. At the closing of his bank, it was revealed that Binga had been involved in several illegal financial practices. He was sent to jail for embezzlement and lived the rest of his life in poverty. The author concludes that Binga’s life outlines the importance of black owned businesses in the black neighborhoods of Chicago during the 1920’s and 1930’s.


This book is a general history of Chicago. It has lengthy sections on both European immigration and African-American migration from the south, thus it was naturally helpful for this project. I also used it for some more general points of Chicago history that were missed in the more specific, focused books I’m using.


This book focuses on Polish immigrants living in the Back of the Yards and South Chicago. It first discusses the culture and institutions present in Poland in the late nineteenth century, then it discusses how Polish immigrants to the city of Chicago kept the culture from their homeland intact by creating a wide range of institutions that built a sense of community among the residents of the neighborhoods. It also examines what caused the community to reach out to other communities in the city. This book should also help provide context for my work with the FLPS.

**Zukowski, Suzanne M. “From Peasant to Proletarian: Home Ownership in Milwaukee's Polonia,” Polish American Studies, Vol. 66, No. 2 (Autumn, 2009), pp. 5-44**