

Official No. C. 12. M. 6. 1939.
Conf. E. V. R. 5.

Geneva, January 7th, 1939.

LEAGUE OF NATIONS

EUROPEAN CONFERENCE
ON RURAL LIFE 1939

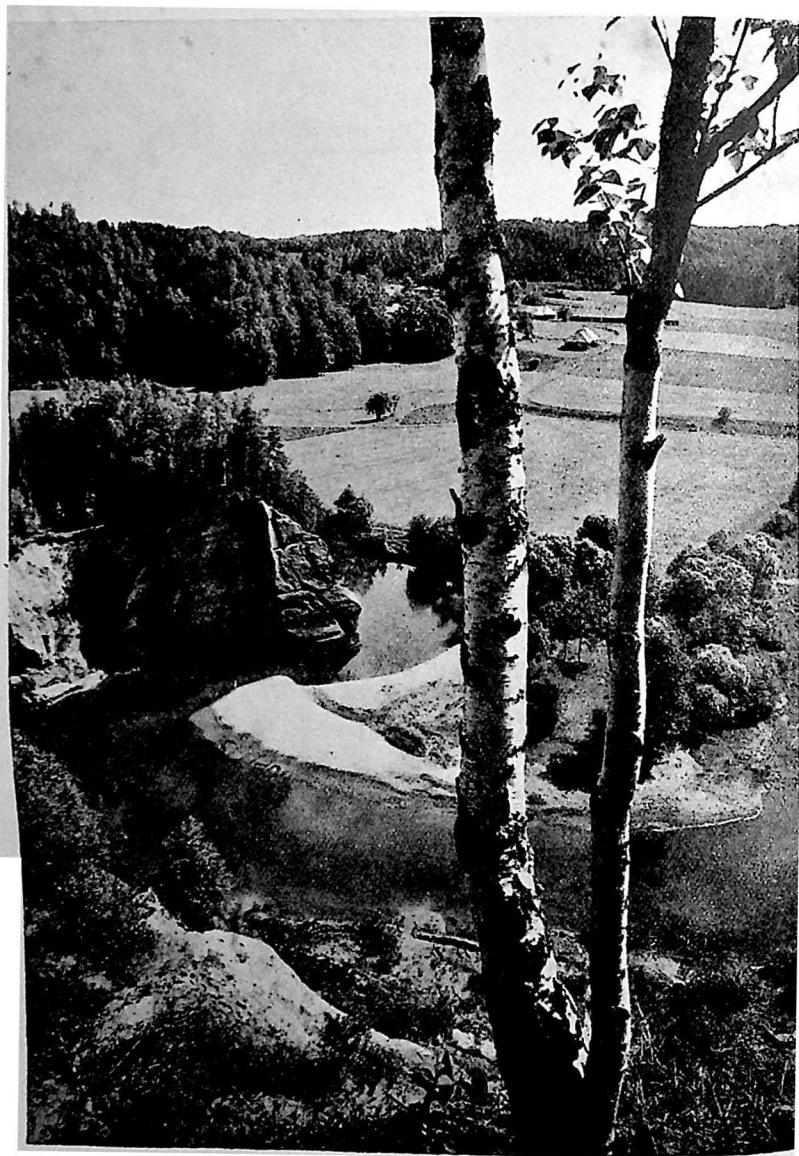
*National Monographs
drawn up by Governments*

LATVIA

Series of League of Nations Publications

EUROPEAN CONFERENCE
ON RURAL LIFE

11



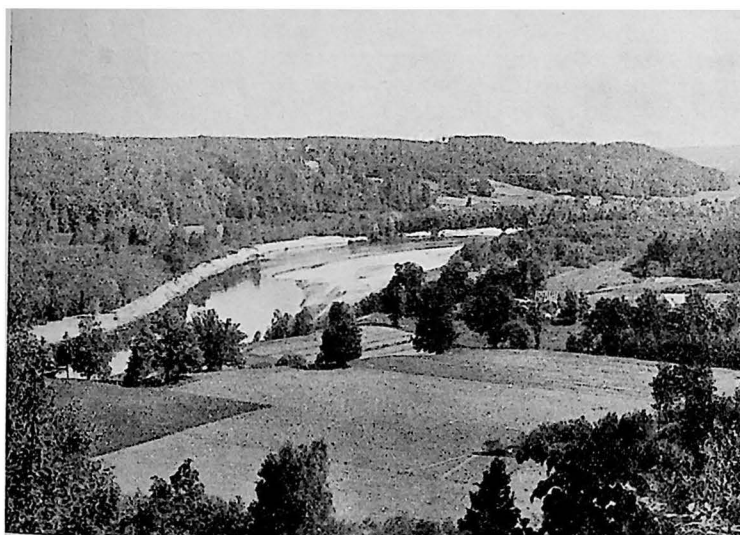
CONTENTS

	Page
INTRODUCTION	5
I. DEMOGRAPHIC SITUATION	10
II. AGRARIAN REFORM	14
III. ORGANISATIONS FOR THE PROMOTION OF AGRICULTURE .	21
IV. IMPROVEMENT OF THE SOIL	23
V. IMPROVEMENT OF VEGETABLE AND ANIMAL PRODUCTION	26
VI. EQUIPMENT	31
VII. BRANCHES OF INDUSTRY HANDLING AGRICULTURAL PRO- DUCTS	33
VIII. VARIATIONS IN YIELD AND ORGANISATION OF MARKETS	39
IX. STANDARDISATION OF AGRICULTURAL PRODUCTS. . . .	43
X. CO-OPERATION	48
XI. AGRICULTURAL CREDIT	54
XII. GENERAL EDUCATION. FOLKLORE	58
XIII. MEDICO-SOCIAL POLICY	67
XIV. NUTRITION	72
XV. THE ECONOMIC STRUCTURE OF RURAL LIFE.	79
XVI. THE PROBLEM OF IMPROVING THE CONDITIONS OF RURAL LIFE IN LATVIA	88
CONCLUSION	91

MONOGRAPH ON LATVIA

INTRODUCTION

The life of the Latvian countryside cannot be understood unless something is known of the agriculturist and his habits and customs; accordingly, a survey of the progress achieved and the present position in the country districts should be prefaced by some short account of their inhabitants.



Landscape in Vidzeme.

The Latvian people, of which the rural landowners form the essential feature, has often been threatened in the course of its history. Its very existence has been imperilled; but, thanks to its powers of resistance and its vitality, it has succeeded in surviving as an agricultural community.

Fate has assigned to it a territory which has often been coveted by other nations. Living on the fringe of Western Europe, it had cultural relations with Eastern Europe, and was obliged on several occasions to sacrifice itself for interests entirely foreign to it.

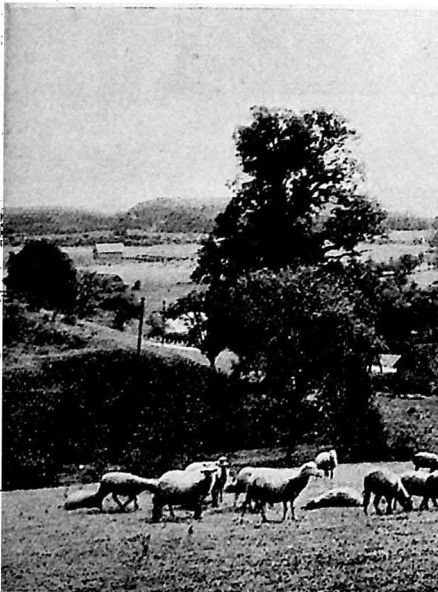
Its links with the soil were so strong that neither centuries of serfdom, nor war, nor epidemics, nor foreign dominion—which not only changed in the course of history, but also divided the territory between several States—could obliterate national feeling. Although, after the abolition of serfdom, the peasant was free to change his place of residence and to take part in the life of the towns, he generally remained on the soil; in present-day Latvia, 60% of the working population are engaged in agriculture.

The soil is not very fertile, and requires continuous labour: it is this which has called forth the steadfastness, immense energy and readiness to face climatic hardship and adversity which are characteristic of the Latvian agriculturist. During the difficult times of the past, these characteristics formed the foundation of the country's economic and intellectual life; their worth was proved during the great war and during the struggles for the liberation of the country, when the people never shrank from any sacrifice for the sake of the Fatherland.

At the beginning of its history, the Latvian nation was divided into several peoples, each with its own area, its own dialect and its own distinctive customs. Later, these all merged into one nation but, in the western part of the country, in Kurzeme, the boundaries of the different dialects can still be detected. It is in this part of the country, especially in the extreme southwest, that the national costume has been best preserved.

Latvia, with its isolated farms, belongs to the Baltic-Scandinavian type of country. After the agrarian reform, the eastern part of the country, Latgale, formerly dotted with villages,

Landscape in Kurzeme.



became in turn a region of individual farms. In the eleventh century, the Letts lived both in villages and in isolated farms; population groups (townships and villages) were frequent in Zemgale (central part of the country) and Kurzeme (west), and existed also in the central portion of Vidzeme (north). But, in the course of centuries, these population groups of Zemgale, Kurzeme and Vidzeme have given way to isolated farms.

These provinces represent a division of a mainly historical character. Kurzeme and parts of Zemgale and Vidzeme must be included in Western Latvia; Central Latvia includes parts of Vidzeme, while Eastern Latvia consists of part of Vidzeme, Zemgale and Latgale.

The special geographical and climatic characteristics of each province have an undoubted influence on the inhabitants. The greater part of Zemgale, for example, consists of the plain of Zemgale, famous for its fertile soil which has enriched the agriculturists; this wealth has, in turn, developed in the inhabitants of Zemgale a spirit of independence and endurance which has distinguished them from time immemorial. At first contact, their main characteristic may appear to be a certain aloofness; but closer acquaintance will break down this reserve and reveal a breadth of mind and acuteness of perception inspired by the highest ideals. The farms of Zemgale give an impression of comfort, with the spacious dimensions of their buildings, their solid and careful construction and their well-tilled gardens; the women do not work at reaping during the harvest, although cereals constitute the main crop.

Kurzeme consists of a coastal plain with a group of hills in the centre. The coastal dwellers have sought their livelihood from the sea, and for centuries past have been famed as fearless sailors. The other inhabitants of Kurzeme cultivate cereals and potatoes. Whereas the Zemgale peasant seems reserved and autocratic, the Kurzeme peasant is full of quiet good nature. Since Kurzeme previously lay far from the main highways and life there was rather secluded, many old customs which elsewhere have disappeared have been preserved.

It is noticeable that even the type of vehicle employed differs from one province to another. In Kurzeme, for instance, the horses are harnessed in pairs to carts with poles, whereas, in the other provinces, the carts used are those drawn by a single horse harnessed between the shafts.

In Vidzeme, which is fairly hilly, the soil is poor and some parts are difficult to cultivate. The climate is severer than in Kurzeme or Zemgale, the winters being longer and colder. Cereal crops are therefore not so abundant and the inhabitants devote themselves more to stock-breeding. The unfavourable natural conditions, necessitating harder work and greater forethought, have had their influence on the character of the people, who are quick-witted and independent and can adapt themselves to any circumstances. The province of Vidzeme has played a very important part in the evolution of rural economy in Latvia, especially in connection with stock-breeding.

Landscape in Latgale.



Tendencies towards association and co-operation also find more marked expression there than in the other areas. During the world war, Vidzeme suffered less than Zemgale and Kurzeme—a circumstance which partly explains the greater progress it has achieved since the war. Its customs, too, are different. The women are often to be seen mowing. The agricultural implements have special features. The farms, hidden behind the trees, look peaceful and secluded. The barns are built on rising ground away from the other buildings.

Latgale, too, has its distinguishing characteristics. In the Ice Age, long valleys were formed in this undulating country, and here there are many rivers and lakes. The climate is more bleak than in the west of the country. In the farms, the buildings are grouped together round the farmyard, which they very often surround completely.

The prevailing religion in the provinces of Latvia is Protestantism—with the exception of Latgale, which is Catholic, and where many crucifixes are placed in the neighbourhood of the farms and along the roads.

Serfdom, which lasted until 1861, and the prohibition, during the period of the Russian domination, of the printing of books in the local dialect, had a profound influence on the intellectual life of the people. The Latgale peasants remained culturally backward compared with those of the other provinces. Having lived in special conditions, under the influence of their Slav neighbours, they borrowed certain Slav customs, which often reveal more vivacity, gaiety and light-heartedness. Latgale has kept the ancient custom of enlisting the help of neighbours for urgent work such as the transport of manure and crops. It had not made the same economic progress as Vidzeme, Kurzeme and Zemgale, but, since the declaration of the country's independence, the inclusion of Latgale in the same economic and social system has led to the gradual disappearance of these differences.

Out of the agrarian reform sprang numerous efforts to reorganise Latgale economically and socially. Village land gave way to private farms and this province, which was so backward, is now making very rapid progress. It is the most thickly populated area in Latvia, and has the greatest number of small farms. It is unable to employ all its labour. Some of its inhabitants go to live in other areas as agricultural workers or craftsmen.

The various districts of Latvia are not separated by mountains or broad watercourses hampering communication. The conditions of life and the character of the people, which vary with each province, have been moulded especially under the influence of various types of foreign domination, when attempts were made to introduce foreign customs and the different districts

were often separated one from another. It is therefore remarkable that, nowadays, all Latvian peasants have so many common features in their work, character and way of living. This is proof of their devotion to the ideal of maintaining ethnical and national homogeneity. This devotion is all the more striking in view of the fact that those of the peasants who



A field of wheat in Zengale.

have been taken off the land, or have left it of their own accord to settle in the towns, have forgotten their local customs. Too much weight, therefore, cannot be laid on the value of the part they play in maintaining the stability and traditions of the people.

At a time when there could be no question of any political or economic organisation of the country, the peasants succeeded in keeping up the traditions and culture of their ancestors, handing them down in the form of folklore, or methods of work. The land is the solid foundation on which peoples may live, progress and attain prosperity notwithstanding hardships and upheavals.

I. DEMOGRAPHIC SITUATION

On January 1st, 1938, the population of Latvia numbered 1,971,067 persons, of whom 1,259,938, or 63.9%, were living in the country, and 711,129, or 36.1%, in the towns.

In the course of the last few centuries, the population has fluctuated very considerably, and its increase has been seriously hindered both by wars and by internal upheavals. About 1800, it numbered 725,000; in 1860, 1,225,000; in 1897, 1,929,387; and in 1914, 2,552,000. It had therefore doubled during the fifty years preceding the war. During the war, however, it was substantially reduced, Latvia having been, for several years, the theatre of military operations. Many of the inhabitants were evacuated with the industrial undertakings to which they belonged, or left the country as refugees. The loss of population caused by the war was clearly brought out by the census of June 1920, which showed a total of only 1,596,131 inhabitants. This was considerably swollen by the return of refugees, and by the census of 1925 the population had again risen to 1,844,805. In consequence of the world war, therefore, Latvia lost 700,000 of her inhabitants. During the five-year period 1925-1930, there was an increase of 55,240 inhabitants, and from 1930 to 1935 an increase of 50,457, so that during the last ten years there was an average annual increase of 10,500.

During the years following the war, the natural increase of the population in Latvia, as in many other countries, declined sharply, as follows: From 1897 to 1903, there were 19,786 births annually; from 1921 to 1925, 13,361; from 1926 to 1930, 11,179; from 1931 to 1935, 8,588.

The movement of the population during the last ten years is illustrated by the following figures (per thousand inhabitants): marriages, 8.35; births, 18.63; deaths, 14.13. According to the 1935 census, the density of the population is 29.6 per square kilometre, with an uneven regional distribution: leaving out of account the population of Riga, the density of the population of the various provinces is: Vidzeme, 17.6 per square kilometre; Kurzeme, 22.2; Zemgale, 22.0; and Latgale, 36.2.

During the last few decades, the rate of the migration to the towns has increased. In 1800, the urban population of Latvia numbered only 41,714, or 5.8% of the total population. At the beginning of the nineteenth century, the increase in the urban population was relatively slow, as, under the law abolishing serfdom, the rural population was forbidden to settle in the

towns. They were not given permission to do so until the middle of the century.

In the process of urbanisation, it is Riga, the capital, that has been the great centre of attraction, and, during the fifty years preceding the war, its population increased very rapidly. In 1867, its population was 107,033, and in 1881, 169,329. There was therefore an increase of 62,296 in fourteen years, or, on an average, 4,450 annually. In 1897, its population numbered 282,230, which means an increase of 112,901 in the previous sixteen years, or, on an average, 7,000 annually. By 1913, the city's population had reached 517,522, so that in the previous sixteen years it had increased by 235,292, or, on an average, 14,700 annually. The increasing rate of migration to the capital was due, in the first place, to the development of industrial and commercial activity during the last few decades before the war.

There has also been a considerable increase in the population of Liepāja, the second town in Latvia, whose population numbered 9,970 in 1863 ; 29,611 in 1881 ; 64,489 in 1897 ; and 83,650 in 1911. In 1863, the total population of all Latvian towns was 183,800, or 14.8% of the total population ; in 1897, it was 567,116, or 29.2% ; and in 1914, 1,028,000, or 40.3%.

Not only did the war bring about a disastrous fall in the total population, but it also changed the distribution between town and country. The 1920 census, for example, showed that the town population was only 382,771, or 23.5% of the whole. After the return of the refugees, the figure rose considerably, to 607,950, or 32.8%, in 1925 ; to 662,877, or 34.9%, in 1930 ; and to 675,282, or 34.6%, in 1935. Including among town-dwellers the inhabitants of municipalities with a population of less than 2,000, the total town population was 710,563 in 1935 and 711,129 on January 1st, 1938. In 1863, out of a total population of 1,240,988, the town population was 183,800 and the rural population 1,057,188. As, according to the 1897 census, the rural population numbered 1,378,932, it will be seen that, over a period of thirty-four years, when Latvia's industries were still undeveloped, her rural population was increasing quite rapidly. In 1914, the rural population was estimated at 1,600,300 ; but, as this figure included the inhabitants of small municipalities, it is impossible to ascertain the number of persons closely connected with agriculture and rural life. In view of the rapid progress of urbanisation, it must be assumed that, during the twenty years preceding the war, the number of persons living on the land had decreased, even though the statistics given above seem to prove the contrary.

During the fifty years preceding the war, there was considerable emigration to Russia, and also to other countries, even across the seas. The migratory movement, however, did not

set in until 1863, when a law was enacted enabling the people of Latvia to change their place of residence. By 1881, however, some 50,000 Letts were living abroad. By 1897, this number had already risen to 115,000, and by the beginning of the war to 265,000. Emigration had thus become widespread. As far as country-dwellers were concerned, the movement was stimulated, in the main, by the prevailing agrarian system, as Latvia was then a country of large estates, and the peasants owned only 39.4% of the agricultural land. Two-thirds, or perhaps even three-quarters, of the rural population were landless, and this is the explanation of their discontent, as reflected in the exodus to the towns and emigration abroad. Such emigration took place in spite of the fact that the country was far from overpopulated—suffering, indeed, from a dearth of agricultural labour.

Since the foundation of the independent State of Latvia, the conditions of rural life have been radically changed by agrarian reform.

The place of the 1,300 large estates has been taken by 100,000 peasant farms of different area and varying type. Since the war, the number of such farms has risen from 150,000 to 276,000.

Since the introduction of agrarian reform, the rural population has been much more attached to the land than formerly. In 1920, for example, it numbered 1,194,427; in 1925, 1,208,647; in 1930, 1,206,143; in 1935, 1,239,939; and by the end of 1937, it had risen to 1,259,938. Thus in seventeen years it increased by 65,500, even though, at the time, the urban population was insufficient and needed reinforcement.

In Latvia, therefore, there is no unhealthy flight from the land. During the last few decades, however, the country districts have lost many of their inhabitants; for the natural increase of the rural population greatly exceeds the figure of 65,500 shown by the statistics.

In consequence, the mutual relations of town and country have not yet been finally settled. The Government is making every effort to improve the conditions of rural life, so as to reduce to a minimum the migration of country-dwellers to the towns. The concerted efforts of Government and municipal authorities and public organisations are directed towards creating a proper balance between the conditions of rural and town life.

At the census of 1930, the gainfully-occupied population was estimated at 1,215,743, or 64% of the total population. The percentage of the gainfully-occupied population is 52.2 in the towns and 70.7 in the rural areas. Men in employment represent 71.7%, and women in employment 57.2%, of the total number of men and women respectively.

The distribution of the gainfully-occupied population among the various branches of economic activity is as follows : 66.2% are occupied in agriculture, 13.5% in industry, 5.2% in commerce, 3.3% in communications and transport, 2.8% in Government or municipal services, 3.3% in domestic service, 2.1% in the professions, 1% in the public health service, and 2.6% in various other forms of activity.

From these figures, it appears that 66.2% or approximately two-thirds of the entire population of the country are engaged in agriculture. Of the 804,773 persons engaged in agriculture, 382,941 are men and 421,832 women, so that the latter make up 52.4% of the total.

II. AGRARIAN REFORM

(a) THE AGRARIAN QUESTION IN LATVIA UP TO THE AGRARIAN REFORM

It is essential to have an idea of the historical development of agrarian conditions in Latvia, if we wish to understand how they arose. Serfdom was abolished in 1819 in the provinces of Vidzeme, Kurzeme, and Zemgale, and in 1861 in the province of Latgale, the peasants of the latter province being freed at the same time as the Russian peasants. Those of Vidzeme, Kurzeme, and Zemgale did not, however, win their freedom immediately the law was promulgated; for this, some years of preparatory work were necessary. In Vidzeme, serfdom was finally abolished in 1826, and in Kurzeme and Zemgale, in 1832.

The peasants thus freed were deprived of all rights in the land which they and their ancestors had tilled for centuries; it became the property of the landowning nobles. If they wished to continue working their former lands, the peasants had to lease them from the nobles under a free agreement.

After the abolition of serfdom, the nobles liquidated some of the former peasant farms and incorporated the land in their estates. For all land held on lease, the peasants were compelled to perform certain *corvées* on the nobles' estates. To increase their income, the nobles exacted ever more numerous *corvées*, and even introduced piece-work. Living conditions became so difficult for the peasants that they were actually exposed to famine, which led to risings in 1841.

Since the system of paying rent by *corvées* proved an obstacle to the efficient working of the peasant farms and even of the nobles' estates, it was abandoned in favour of cash rents. In Kurzeme and Zemgale, this took place in 1867, and in Vidzeme in 1868. The introduction of the money element gave rise to great difficulties for the peasants, since rents were high and the peasant holdings had suffered severely during the years of *corvées*.

Not until 1860 did the peasants of Vidzeme, and not until 1863 did those of Kurzeme and Zemgale, obtain the right to acquire farms by purchase. Such purchase had to be effected on the basis of a free agreement and at market prices. Although demanding great sacrifices, since the price of farms was high in comparison with the peasants' incomes, the acquisition of farms continued until the war. Up to the time of the agrarian reform, most of the nobles in Vidzeme, Kurzeme, and Zemgale

were in an exceptionally privileged position. They owned great areas of land and forest, and enjoyed various economic privileges. For example, the sale of alcoholic drinks (except in the towns) was restricted to premises on the nobles' estates, a rule which also obtained in connection with the holding of markets. Nevertheless, no progress was made in developing the big estates.

Living conditions continued to be very difficult for the peasants, and the number of peasant farms purchased or leased was small. Two-thirds or three-quarters of the people were "landless", and, as such, settled in the towns or migrated into Russia or elsewhere. In 1897, 115,000, and at the outbreak of the war 265,000, Letts were living outside their own country.

These agrarian conditions led to serious discontent amongst the people, as became obvious during the revolutionary disorders of 1905.

When serfdom was abolished in 1861, the peasants of Latgale received about two-thirds of the land which they had cultivated as serfs. They could purchase this land outright at a price fixed by the Government. These peasants lived in villages, whereas those of the other Latvian provinces had been settled for centuries on scattered farms. In Latgale, the peasants practised an extensive subdivision of land among heirs, but in the rest of the country the dividing-up of farms among heirs was restricted by law.

Agrarian conditions in Latvia were made still worse by the fact that the peasants were forbidden, for various political reasons, to set up agricultural organisations for the improvement of farming. For half a century, no important change was made in the agrarian laws of Vidzeme, Zemgale, and Kurzeme. Social and economic injustice aroused great bitterness in the countryside, and living conditions demanded sweeping and radical reforms.

These needs were not satisfied until after the establishment of the Latvian State, when the agrarian reform inaugurated the great work of reconstruction.

(b) THE AGRARIAN REFORM

The first part of the Agrarian Reform Law, concerning the landed property of the State, was passed on September 16th, 1920. The landed property of the State was constituted to enable new undertakings to be established in country districts and existing small undertakings to expand, provision to be made for social and cultural needs and for those of various economic enterprises, and towns and villages to be enlarged. The property consisted of the lands belonging to the State domains

and forests, the nobles' estates, estates belonging to institutions run by the nobility, Church lands, and peasant farms held on lease and not yet purchased.

Lands and estates belonging to charitable and scientific institutions and farmed directly by them were not affected by this measure.

The nobles received a so-called non-transferable area of about 50 hectares. Similarly, the churches obtained plots of about 50 hectares, together with the buildings belonging to the church or parish.

The law on the distribution of the landed property of the State was passed on December 21st, 1920. Amongst the land incorporated in the landed property of the State, the following were not used for the establishment of new rural undertakings, but remained State property : water, land unsuitable for agricultural purposes, historic sites, land of archæological importance, beauty-spots, and land possessing subterranean natural wealth.

The area of land suitable for agriculture allotted to each new farm did not exceed 22 hectares, to which 5 hectares of land unsuitable for agriculture and 3 hectares of forest might be added.

In districts where the climate and available means of communication allowed, the State land was used for the establishment of horticultural settlements not exceeding 10 hectares in area.

Small undertakings established before the reform, and of smaller area than that contemplated for the new farms, might, if adjacent to State-owned land, be enlarged by additions from the landed property of the State up to the standard area specified by the law. If undertakings were not adjacent to State-owned land, their owners could resign them to the State in exchange for land enabling them to establish a new farm of regulation size. Small undertakings were understood to mean those less than 15 hectares in area.

The area of land allotted to business undertakings and municipal institutions or to social and cultural purposes depended upon the nature and needs of such undertakings or institutions.

Certain areas of land around towns and villages were left untouched, either with a view to subsequent development or for public utility undertakings and establishments.

Persons whose principal occupation was one other than agriculture received up to 1 hectare of land in the neighbourhood of the towns, and up to 2 hectares in the villages and country districts, for artisans' allotments.

The execution of the agrarian reform was entrusted to a special body—the Central Land Organisation Committee—

having its headquarters in Riga and branches—known as Land Organisation Committees—in all the communes, towns, and districts.

Applications for land were granted in the following order : priority was given to applications from Government administrative bodies, municipalities, companies, and other similar institutions ; next in order came applications from owners of land wishing to enlarge their small undertakings ; and lastly applications to regularise the boundaries of former properties.

The land remaining in the hands of the State was used for the establishment of new rural undertakings, subject to the observance of a certain order in the allotment of land. Among the " landless ", priority was given to those who had fought in the war for Latvian independence and, in particular, to ex-servicemen decorated for military merit ; next in order came those having the necessary agricultural equipment to work a farm and adequate capital.

Land was allotted only to persons aged between 18 and 65 years. It could, however, be allotted without regard to age to the children of those who had fallen in the war of independence.

The Agrarian Reform Law made it illegal thenceforth to own more than 50 hectares in a single property. Similarly, it forbade the division of land into plots of less than 10 hectares without the permission of the Government.

To enable the new farmers to put up their buildings and bring their farms into working order without delay, the State granted loans from the State Land Bank, and supplied timber from the State forests at one-fifth of the official price.

A minimum redemption price was fixed for agrarian land allotted by the State. Disabled ex-servicemen were either wholly or partially exempted from payment of the redemption price, according to their degree of disablement.

(c) EXECUTION OF THE AGRARIAN REFORM

The agrarian reform introduced far-reaching changes into the whole organisation of agriculture. Before the reform, Latvia was a typical country of big estates. Of the total area of land, the peasants owned 2,583,674 hectares (39.32%), the owners of private estates 3,160,000 hectares (48.10%), the State 661,311 hectares (10.06%), the churches and parishes 71,364 hectares (1.09%), and the municipalities 33,781 hectares (1.43%).

The average area of private estates exceeded 2,000 hectares and their number amounted to some 1,300.

The total area comprised in the landed property of the State was 3,396,815 hectares, or 51.43% of the total area of land. Private estates accounted for 78.56% of this area, State-owned

land for 19.55%, Church and parish lands for 1.75%, and other miscellaneous lands for 0.14%.

With the land comprised in the agrarian property of the State, there were established :

54,128 new farms ;
 1,501 horticultural holdings ;
 10,854 artisan undertakings ;
 2,972 fishery undertakings ;
 6,505 undertakings for cultural and social purposes ;
 3,754 undertakings for State purposes ;
 1,584 undertakings for industrial purposes ;
 11,290 undertakings for various purposes,

a total of 92,588 new undertakings and holdings.

Of the State-owned land, 9,754 former agricultural holdings were allotted to peasants who took them on lease, and 1,306 non-transferable areas were left to the former big landowners. The total number of undertakings created from the State-owned land thus amounts to 103,648.

For the purpose of enlarging properties which were too small, 50,539 parcels of land were allotted, and 17,666 building-sites were distributed within the administrative areas of the towns.

Before the reform, there were approximately 150,000 peasant holdings of various sizes, whereas this number had risen to 275,698 in the 1935 census. As a result of the reform, the big private estates were completely liquidated. The few large estates which still exist are run by the State, the university, the Chamber of Agriculture, or other institutions, and serve special purposes of public utility.

The present agrarian structure of Latvia is distinguished from that of other countries by the small number of large rural undertakings. Similarly, the number of small holdings which are not sufficient to occupy the owner and his family or provide them with a livelihood is small by comparison with the countries of Western Europe. According to the 1935 census, there were in Latvia only 1,071 rural undertakings exceeding 100 hectares in area; this represents 0.4% of the total number of undertakings, while their total area amounts to 3.3% of the area of all the land in Latvia.

The small rural undertakings may be classified as follows :

44,078 undertakings of less than 1 hectare ;
 11,611 undertakings of between 1 and 2 hectares ;
 22,878 undertakings of between 2 and 5 hectares ;
 78,567 undertakings, representing 28.5% of all rural undertakings.

In the province of Latgale, in conjunction with the agrarian reform, a new distribution of land has taken place, with the result that, in nearly all undertakings, the land is held together in a single block and boundaries are drawn in accordance with a rational scheme. The long, narrow, scattered strips of land which used to be held by peasants in a single village have been done away with, since they placed a serious obstacle in the way of good farming.



Typical new farm due to agrarian reform.

(d) RESULTS OF THE AGRARIAN REFORM

A great effort of will, sustained by a constructive ideal founded on the inward longings of the nation, was necessary after the war to calm the minds of the people and guide them towards productive work. The object of those longings was the possession of land, ardently desired for centuries. The independence of Latvia was proclaimed before the ravages of war and revolution had abated, and the new State was threatened by disorders that gave rise to serious political tension. As soon as the agrarian reform was put into practice, the nation turned wholeheartedly towards this great work. By creating some 100,000 new farms, owned by the peasants with full hereditary rights, the agrarian reform consolidated the bases of the State.

The agrarian reform thus laid the foundations of social peace. The new landowners realise that their prosperity depends, in

the first place, on their skill and on their industry. They have no claims against the other classes of the population. Moreover, the agrarian reform must be regarded as a most powerful factor in ensuring the future of the nation, since it encourages family life and the growth of population. The agricultural labourers, or "landless peasants", were mostly bachelors, whereas for the new farmers family life is a necessity imposed upon them by the conditions under which they farm their land.

The agrarian reform may also be regarded as an excellent weapon in the campaign against the greatest social evil of our time—the exodus of the rural population to the towns. The new landowners form a powerful link which keeps the people in the country and binds them to the soil.

The increase in the number of rural undertakings has also provided a broader basis for cultural and economic activities. The agrarian reform has brought with it conditions favourable to more intensive methods of farming and production. Agriculture is carried on far more actively on the new farms than it was on the old estates.

Four times as many workers are now employed on the new farms as were on the large estates, the land from which enabled such farms to be established. Many farmers, having few members of their family working with them, suffer from a shortage of agricultural labour and are obliged to get help from abroad, although 66% of the gainfully-occupied population of the country is engaged in agriculture.

According to the 1935 census, agricultural production has increased, the area of arable land and orchard exceeding by 22% what it was before the war. In comparison with pre-war figures, those for 1935 showed an increase of 20% in the number of horses, 40% in that of cattle, 44% in that of pigs, and 36% in that of sheep. Agriculture has made particularly rapid progress during the past six or eight years, by which time the new farms had been provided with buildings and the farmers could devote themselves entirely to productive work. From 1931 to 1935, the average cereal harvest exceeded those of 1909-1913 by 30%, while a 100% increase occurred in the potato harvest. These figures prove that the agrarian reform, far from reducing agricultural production, has caused an extremely rapid expansion.

The agrarian reform was an urgent political necessity at the time of the proclamation of independence; to-day, it has achieved complete success, and forms the surest foundation for Latvia's political, economic and cultural progress.

III. ORGANISATIONS FOR THE PROMOTION OF AGRICULTURE

Since Latvia achieved independence, the Government has made incessant efforts to raise the standard of rural life. The Ministry of Agriculture has within its province the drafting of laws relating to agriculture, the exploitation of land, forests, and waterways belonging to the State, measures for the promotion of agriculture and fisheries, matters connected with agrarian reform, and veterinary questions. Apart from this Government department, it has been thought necessary to set up an organisation capable of establishing direct contact with the rural population and effectively assisting it by teaching suitable methods of farming. This organisation's aim is to provide expert assistance by precept and example. At first, the task was undertaken by the agricultural societies, which, as private organisations, had insufficient funds and were largely subsidised by the Ministry of Agriculture. Their work, however, was not sufficiently methodical, and often overlapped. In March 1935, the authoritarian regime established in 1934 created the Chamber of Agriculture, whose duty it is to promote the development of agriculture and uphold its interests, to encourage individual initiative and activity and mutual aid, and to raise the standard of rural life generally. During its brief existence, the Chamber of Agriculture has greatly developed its activities and has dealt with problems previously unknown.

The Chamber of Agriculture is composed of persons appointed by the country districts themselves, who are thus true representatives of the interests of the rural population. Its wide sphere of action is divided among fifteen sections, whose specialists often work on the spot. Valuable assistance is afforded to it by the agricultural societies which exist in each commune, and which, with the help of experts on live-stock, horticulture, bee-keeping, etc., conduct propaganda and provide assistance in the countryside by means of lectures, advice, excursions, practical demonstrations, etc.

The Government's solicitude for rural life does not stop here. All the factors likely to help or hinder its development are ascertained, observed, and examined. In March 1937, a "Rural Life Committee" was attached to the Chamber of Agriculture, in order to seek means of raising the standard of rural life on the basis of the recommendations made and wishes

expressed at the meetings held during the "peasant days" and other meetings. This committee includes representatives of Government, municipal, and private institutions, and of credit institutions and economic organisations, and is thus assured of a very wide sphere of action.

IV. IMPROVEMENT OF THE SOIL

Latvia consists mainly of diluvian soil, brown earth, "podsoles", and peaty soil (marshy mineral soil, mossy and grassy peat deposits). According to Professor P. Nomals, 9.2% of the area of the country is marsh. Grey sandy soil is generally accompanied by marshy soil. Among cultivable soils, mention should be made of improved "podsoles", transformed marshy soils, and a number of artificial soils.

A large area consists of soils as yet unformed or imperfectly formed, such as the moving dunes of the Baltic coast, and numerous sandy tracts, which necessitate considerable improvement works. This area amounts to 17,411.5 square kilometres, or 26.5% of the total area of the country; 348,220 hectares belong to 13,900 undertakings owned by small fishermen or farmers; 435,275 hectares are described as pasture or meadow; but rarely deserve the name, being usually covered with bracken or reeds.

As soils of grey sand, peat, and ordinary sand occupy a large area, a good harvest calls for a great deal of effort and skill on the part of the farmer. Although large-scale drainage works have been completed, and in some places, especially in the plain of Zemgale, the soil has already been improved, a great deal of work is still necessary. The principal factors adverse to crops are these :

1. Many soils contain too much moisture. According to estimates, a third of the fields (600,000 hectares), three-quarters of the meadows, and a quarter of the pasture-land require drainage.

2. The soil contains too little calcium and is too acid, a phenomenon which is common in grey sandy soils. Professor Bambergs estimates that 35% of the arable area needs de-acidification.

3. Special attention has to be devoted to the improvement and manuring of the soil, a matter of particular importance for land of poor quality.

Little was done before the war in this direction. The small works constructed to regulate waterways and the drainage canals which were dug deteriorated during the war. Minor drainage works were also comparatively rare. Hence the construction of drainage works proved to be one of the principal tasks of the Government of independent Latvia.

In order to hasten the drying process, and to make the soil cultivable, new ditches had to be dug, and the old ones had to be renewed. The courses of rivers and streams had to be regulated, as they often overflowed and turned their surroundings into swamps. These regulation works have, for the most part, been carried out by the State. The number of dredgers belonging to the Government has gradually increased, and it now possesses thirteen. The farmers have taken an active part in the construction of land-drains. Immediately after the war, a new legal and economic basis had to be created for the new improvement works. The laws of old Russia were inadequate, and in 1925 the Cabinet issued provisions governing this question. In the same year, regulations were issued, subsequently supplemented and modified, regarding the subsidies granted by the State for the improvement of the soil.

Land improvement societies were unknown before the war. They enable the individual farmer to take part in common improvement works of benefit to himself. There are 2,300 such societies in existence to-day, with a membership of 70,000 farmer-owners. Their expenses are covered mainly by loans from the State Land Bank, which charges interest at $\frac{1}{2}$ % per annum for three years; such loans may be extended for a further three years at 2%. The loan is repayable when the improvement works have been completed, and the owners taking part must either pay their share in cash or convert it into long-term loans at 2% for twenty-eight years.

In the last twenty years, the following works have been carried out:

	Kilometres	Surface drained	Cost of works
		Hectares	Lats
1. Watercourses dredged	540	120,950	11,982,152
2. Drainage ditches newly dug and regulated by the improvement societies	13,400	332,500	14,412,193
Total	13,940	453,450	26,394,345

Of this total, the State paid 19,751,636 lats (75%) and the owners concerned 6,642,709 lats (25%).

The regulation of the courses of rivers and the system of canals and drainage ditches have enabled the owners to drain their lands.

Minor improvements have been left to the private initiative of each farmer. Plans for such works are generally drawn up by the civil engineers of the Chamber of Agriculture; when it is considered necessary to grant special privileges, these plans are prepared at a low fee by the appropriate section of the Ministry of Agriculture. Earthenware drain-pipes are supplied to farmers on favourable terms, including the cost of carriage. The

number of drain-pipes so supplied is increasing yearly, and in 1938 attained a total of 10,000,000. Altogether, 30,000,000 drain-pipes of different dimensions have, up to now, been sold to agriculturists.

The following figures show the development of minor improvement works :

		Plans prepared	Ditches dug or drains traced
		Hectares	Kilometres
1918-1934 (16 years)	..	147,480	15,690
1934-1938 (4 years)	.. ..	68,470	14,000
Total	.. ..	<u>215,950</u>	<u>29,690</u>

These figures show that minor improvement works have greatly developed in the last few years. Altogether, an area of 100,000 hectares has been drained at a cost of 20,000,000 lats to agriculturists.

In certain parts of Latvia, the fields are full of stones. In order to help farmers to clear their fields, the Government drew up, in 1937, regulations concerning grants for the clearing of fields in the north-western part of the district of Valmiera. In response to numerous petitions from farmers, the application of these regulations to the whole of Latvia is under consideration.

This brief account shows that the improvement works sponsored by the Government have greatly developed ; much still remains to be done in this sphere, however, especially in making the cultivation of poor sandy soils profitable with the help of green manure and peat, and in de-acidifying the soil.

V. IMPROVEMENT OF VEGETABLES AND ANIMAL PRODUCTION

In an area devastated during the war, where even in 1920 30% of the cultivable land was still lying fallow, there has now been an increase in production of 30% to 50% in all the principal branches of agriculture. These results are due to widespread agricultural assistance, to an effective regulation of the prices and the market for agricultural produce, and to the improvement works undertaken on a large scale, not to mention technical instruction, the importance of which should not be underestimated.

The intensification of agricultural production is shown by the harvests:

Average Harvests in Quintals per Hectare.

	1909-1913	1920-1924	1934-1937	1937
Winter rye	9.3	8.6	13.7	14.7
Winter wheat	12.4	10.6	14.6	13.7
Summer wheat	8.2	8.0	11.0	11.3
Barley	9.1	8.3	10.8	12.0
Oats	9.1	8.2	11.2	12.1
Potatoes	80.3	90.1	131.8	140.2

Not only the average crops per hectare, but also the total crops of the country, have increased. For the total area of arable land rose from 1,729,628 hectares before the war to 2,113,684 hectares in 1935. The increase in the cereal crops has spared Latvia the necessity of importing wheat for bread. Until 1930, the annual imports of rye and wheat amounted to from 100,000 to 200,000 tons; but by 1933, not only had imports ceased, but they had been replaced by exports. From 1933 to 1937, 250,000 tons of cereals, chiefly rye, were exported. In years of bad harvest, however, a certain quantity of wheat has had to be bought abroad.

Considering the crops that are obtained by the more efficient undertakings, the average crops of the country are still relatively low, and could be substantially increased. For example, the production of sugar-beet for industrial purposes, which only amounted to 21,000 tons in 1929, reached 338,000 tons in 1934, and could be further increased if the home sugar market, which is already saturated, offered greater scope. Similarly, the growing of vegetable seeds, fodder-plants, tobacco, and medicinal plants has considerably developed.

The breeding of *live-stock* suffered even greater ravages during the war than agriculture. A large proportion of the flocks and herds were requisitioned by the military or civil authorities or succumbed to epizootic diseases; the quality deteriorated, owing to the lack of fodder and the cessation of the activities of the co-operative breeding organisations. After the war, a rational organisation of breeding had to be undertaken, with special attention to the improvement of the quality of the fodder and of the breeds. An important part was played



Cattle at pasture.

in this work by the breeding inspection societies and the breeding-stations. In 1937, the number of inspection societies was 777, owning 1,186 breeding-stations, which provided a surplus of breeding animals for export to neighbouring countries.

The success of the rationalisation of the breeding of milch cows is shown by the average yield of the herds subject to the supervision of the inspection societies.

Annual Yield per Cow.

				Milk Kilogrammes	Percentage of fat	Fatty matter Kilogrammes
1918	..	..	..	1,874	3.88	72.7
1920	..	..	..	2,000	3.87	77.4
1934	..	..	..	2,555	3.92	100.2
1937	..	..	..	2,748	3.92	107.7

The development of dairy production is shown by the increase in butter exports :

Butter Exports.

	Kilogrammes		Kilogrammes
1921	15,164	1932	18,609,282
1925	7,124,245	1933	15,646,305
1928	12,960,223	1934	15,700,899
1929	15,066,391	1935	16,822,386
1930	18,074,157	1936	17,301,222
1931	18,741,996	1937	19,219,883

Side by side with the extension of the network of dairies, there has been a development of *pig-breeding*, which is explained by the fact that skim-milk and various forms of dairy waste are utilised for pig-feed. The number of pigs rose from 481,000 in 1920 to 739,300 in 1937. The home market being unable to absorb all the products of this branch of live-stock, they began to be exported as early as 1920. In accordance with the requirements of foreign markets, the development of pig-breeding has been directed towards improvement in the quality of bacon. The good results achieved are due to the formation of pig-breeding inspection societies and the establishment of breeding-stations. Exports have developed, chiefly in more recent years : from 1932 to 1937, their value increased by 1,920%. Thanks to the development of pig-breeding, imports of animal fats have completely ceased. A few years ago, they cost Latvia a considerable sum in foreign currency (in 1929, 2,068,791 kg., valued at 2,345,633 lats).

Sheep-rearing had remained almost completely outside the orbit of the general progress of agriculture in Latvia. It was practised only for domestic requirements, but, thanks to the propaganda of the Chamber of Agriculture and to Government subsidies, interest in this branch has increased to such an extent that considerable quantities of wool are now sold to local industry. By providing rams for breeding purposes and creating establishments for the breeding of pure strains of sheep, it has been possible to improve their appearance, their weight, and their wool. Nevertheless, there is much room for further improvement.

Number of Sheep and their Wool Output.

Year	Number of sheep	Total wool output	Wool output per sheep
	Thousands	Metric tons	Kilogrammes
1925	1,196.0	1,528.0	1.28
1933	1,114.3	1,840.6	1.65
1934	1,208.9	2,074.4	1.71
1935	1,346.7	2,361.9	1.75
1936	1,351.6	2,391.2	1.76
1937	1,334.0	2,551.2	1.91

In order to improve local sheep strains, use is chiefly made of Shropshire and Oxfordshire rams.

Among the other branches of agriculture worthy of attention, mention should be made of the most recent—poultry-farming—in which special care is taken to improve the quality and output. From 1920 to 1937, the number of poultry increased by 396%, and the importation of eggs, which was on a large scale until 1932, has now ceased. Since that year, indeed, it has been replaced by exports of double the quantity previously imported. The average output of the hens has increased by about 57%.

The general development of live-stock breeding is illustrated by the increase in the number of domestic animals. As compared with the average from 1925 to 1934, the number of horses has increased by 7.5%, that of cattle by 16.5%, that of pigs by 32.99%, and that of sheep by 26.33%.

Bearing all the possibilities in mind, the institutions and persons at the head of affairs are carrying on concerted action for the improvement of crops without resort to resources other than those possessed by rural undertakings themselves.

One of the means of achieving this consists in obviating the losses which might be caused by inappropriate treatment of the present crops.

Thus, the damage caused by weeds and insect pests is estimated at a third of the value of the crop, or 77 million lats. A danger particularly to be feared is oat rust; snow mildew of winter rye and wheat sometimes destroys 60% of the winter crops. Rust of oat-leaves reduces the crop by 20%, even in normal years. Potato rot destroys about 25% of the crop in the fields and 10% in the stores. By overcoming all these diseases and insect pests, it would be possible, in present conditions of production, to increase output by 35%. Several methods of protecting plants, moreover, do not require any capital outlay. For example, to reduce the damage caused by rust, it would be sufficient to destroy the plants which propagate parasites. Similarly, it would be desirable to observe the first sowings and to make a reasonable use of fertilisers, and also to pay special attention to the assortment of seeds used and their treatment with copper sulphate.

The annual loss to agriculture as a result of the inappropriate treatment of manure is estimated at 12 million lats, or 20% of the total value.

Another fault observed in the cultivation of the soil has led to the adoption of the watchword "Plough your land in autumn". Sometimes, too, farmers are unaware of the great importance of draining off the water in spring. Rational cultivation might increase the output by 35%, without any additional capital outlay.

The struggle against weeds is a task which cannot be too much impressed on farmers, for the damage they cause reduces the value of the crop by from 20 to 240 lats per hectare.

As already stated, an increase in agricultural output can be attained by the labour and capital available in the country; but success in this task requires the co-operation of the whole population. Every farmer must have the conviction that the campaign undertaken in favour of more abundant crops is to his own benefit and will conduce towards his greater well-being.

Many farms are capable of producing better crops without resorting to loans. Capital can be created by thrift, hard work, and rational methods. Once capital has begun to accumulate in an undertaking, resort to credits, even on a large scale, becomes allowable, since production is clearly being carried on by correct technical methods and directed on rational lines. In a considerable number of undertakings, the standard of which is not above the average of agricultural development, the yield might often be increased by various improvement works in the narrower sense of the term, such as drainage, the rational use of chemical fertilisers and the mechanisation of agriculture.

An extensive programme aiming at improving the yield of crops and raising the standard of living of the rural districts is now in process of application. The rapid evolution that is taking place gives ground for the hope that the Government's ambition to increase agricultural output by 50% may be realised in the comparatively near future.

VII. EQUIPMENT

The process of economic development and the increase in production have led to a considerable shortage of labour in the country districts. To remedy this, the Government has endeavoured, in recent years, to encourage the wider utilisation of agricultural machinery in rural undertakings. The Chamber of Agriculture is also conducting active propaganda in favour of the employment of rational methods, both in the organisation of undertakings and in farm work. In the last two years, the Government has fixed the selling-price of agricultural machinery, at the same time undertaking to meet possible differences itself. For this purpose, 1,108,250 lats were spent in 1937/38, and 576,446 lats up to September 1st of the current financial year. The Government subsidies are not the same for all machines. For those in more common use, they represent about 10% of the selling-price, while for machines little known in local practice, but likely to intensify the output considerably, such as reaper-binders, they amount to about 40% of the price. Thanks to these measures, the number of agricultural machines sold recently has considerably increased.

In order to improve the quality of the machines manufactured within the country, and to prevent the introduction of inferior foreign machines, the Government enacted in 1936 a law on the inspection of agricultural machines. By this law, the Ministry of Agriculture and the Chamber of Agriculture are empowered to examine in their testing-shops the quality of all machines and tools and spare parts offered for sale on the local market.

Machines found to be of insufficient quality are not admitted from abroad; in the case of machines manufactured in Latvia, the producers are required to improve them, and to withdraw the rejected machines from circulation.

Local production has hitherto been confined to the manufacture of the simplest machines, but a large enterprise, subsidised by the State, for the manufacture of agricultural machinery (the "Tosmare" Limited Company) has just been created.

As certain machines are used by the farmer for only a comparatively short period, and do not justify the cost of purchase (such as big seeders, stump-extractors, meadow-ploughs, moulds for silos), the Government has, for several years past, been granting subsidies for the creation of depots of these machines. On January 1st, 1938, the number of such depots attached to the agricultural societies was 264. The following table shows the

extent to which rural undertakings are provided with agricultural machinery.

Number of Agricultural Machines in Rural Undertakings.

	Number of undertakings requiring machines	Number of Machines in 1937	Percentage of undertakings supplied with machines
Sowing-machines	95,365	3,758	3.93
Manure-spreaders	11,497	1,295	11.26
Reaper-binders	95,365	24,934	27.20
Mowing-machines	95,365	48,997	51.38
Horse harrows	95,365	38,017	39.86
Potato-diggers	11,497	6,405	55.71

These figures show the deficiencies that still exist in the mechanical equipment of rural undertakings. To make good these deficiencies, five-year loans may be obtained from the Peasants' Credit Bank. In the last few years, the number of agricultural machines, particularly tractors and reaping-machines, has considerably increased.

The rationalisation of agricultural work and the improvement of mechanical equipment are matters which are engaging the special attention of the Ministry of Agriculture. The latter has created for this purpose a Research Institute, which has had remarkable success. Agricultural machines should not merely replace manual labour, but should assist the peasant in his work, and thus establish a certain equality of labour conditions between the country and the towns.

VII. BRANCHES OF INDUSTRY HANDLING AGRICULTURAL PRODUCTS

As Latvia is not rich in minerals, agricultural products constitute the chief basis of the country's industries. Developments in the branches of industry handling agricultural products naturally increase the farmer's income, thereby enabling him to improve his working conditions and his general standard of living.

Domestic industries are of no great importance in Latvia, and rural economic life has, for a long time past, been based on a system of trading. Industrial concerns meeting the needs of agriculture exist both in the countryside and in the towns, and it is impossible to consider rural and urban industry separately. The figures given below accordingly relate to all those branches of industry which handle agricultural products.

Leaving aside small concerns which use no mechanical power and employ fewer than five workers, there were, in 1937, 5,717 industrial undertakings (excluding slaughterhouses), employing 111,917 workers. The gross output of industry amounted in 1937 to 636,829,000 lats, as against 473,171,000 lats in 1936—*i.e.*, an increase of 163,658,000 lats in a single year.

The branches of industry which convert agricultural products into foodstuffs put on the market in 1937 goods to the gross value of 137,203,000 lats, or 21.5% of the total gross output of Latvian industries. The gross value of the output of industrial concerns which use raw materials supplied by agriculture and convert them into goods other than foodstuffs was 40,956,000 lats in 1937—*i.e.*, 6.4% of the gross value of the output of all branches of Latvian industry. The total figure for the branches of industry handling agricultural products was thus 178,159,000 lats, or 27.9% of the total national output.

The table on page 34 shows that 1,858 industrial undertakings—*i.e.*, 32.5% of the total number of industrial undertakings in Latvia—were concerned with the treatment of raw materials produced by agriculture. They employed 16.3% of all the persons employed in industry, and the value of the raw materials used by these branches of industry in 1937 was 126,027,000 lats, or 37.3% of the value of the raw materials used in industry as a whole.

BRANCHES OF INDUSTRY HANDLING AGRICULTURAL PRODUCTS IN 1937

Branch of industry	Number of undertakings	Number of persons employed	Value of raw materials	Gross value of output
<i>(a) Conversion of Agricultural Products into Foodstuffs.</i>				
			In thousands of lats	
Mills	900	2,459	—	6,955
Bakeries	187	1,855	10,646	14,150
Factories producing macaroni, spaghetti, etc.	7	120	450	629
Factories preserving fish	13	481	1,434	2,582
Factories preserving meat	168	1,347	9,926	12,418
Gut factories	6	97	469	641
Slaughterhouses	11	392	7,039	8,830
Dairies	313	2,961	52,856	62,236
Factories preserving fruits, berries, and vegetables.. . . .	13	270	519	955
Potato-starch and syrup	26	214	1,168	1,643
Sugar-refineries	3	1,467	10,870	14,196
Distilleries	59	603	3,625	5,489
Malt factories	5	17	96	139
Malt-syrup factories	1	12	28	46
Breweries	28	858	1,395	6,294
Total	1,740	13,153	100,521	137,203
<i>(b) Conversion of Agricultural Products into Other Goods.</i>				
Oil-refineries	13	362	4,535	6,660
Bone-meal	3	128	327	945
Industrial fats and meat-meal	6	22	118	202
Casein, artificial horn	1	92	951	1,537
Tanneries	63	1,056	10,832	15,198
Flax and hemp fibres	6	271	337	628
Flax spinning and weaving	9	2,985	8,310	15,123
Baskets and brushes	17	221	366	663
Total	118	5,137	25,776	40,956
Grand total	1,858	18,290	126,297	178,159

An important place in this branch of industry is occupied by the sugar-refineries, the first of which began operations in 1926. There are now three refineries, and their output meets the consumption needs of the country. The distilleries, too, are of great importance. Through the efforts of the Chamber of Agriculture, they are now organised on a co-operative basis, whereas, formerly, most of them were privately owned. The number of dairies also is very great, and in 1937 the gross value of their output was 62,236,000 lats.

The following table, which gives the figures for 1936 and 1937, shows the increase in the industrial output.

(a) *Branches of Industry converting Agricultural Products into Foodstuffs.*

	Production	
	1936 Metric tons	1937 Metric tons
Mills :		
Rye	151,577	157,332
Wheat	104,683	109,267
Barley	56,779	51,873
Oats	101,677	102,484
Meslin	89,086	94,623
Bakeries :		
Rye flour	15,577	18,974
Wheat flour	12,626	13,077
Factories producing macaroni, spaghetti, etc. :		
Wheat flour	687	1,006
Factories preserving fish :		
Fish	—	2,058
Factories preserving meat :		
Meat, various	—	12,101
Slaughterhouses :	Number	Number
Cattle	128,820	131,447
Calves	175,102	204,326
Sheep	127,772	148,925
Pigs	177,475	209,333
Dairies :	Metric tons	Metric tons
Milk	575,927	643,182
Factories preserving fruits, berries and vegetables :		
Berries, fruits	—	982
Factories producing potato-starch and syrup :		
Potatoes	18,236	22,208
Sugar-refineries :		
Sugar-beet	244,148	282,954
Distilleries :		
Potatoes	68,475	75,579
Malt factories :		
Barley	—	496
Breweries :		
Barley	2,368	3,146

(b) *Branches of Industry converting Agricultural Products into Other Goods.*

	Production	
	1936	1937
	Metric tons	Metric tons
Oil-refineries :		
Linseed (local)	9,000	8,759
Bone-meal factories :		
Bones	3,901	4,032
Factories producing industrial fats :		
Meat-meal	822	824
Factories producing casein, artificial horn :		
Milk casein	1,022	2,485
Tanneries :	Number	Number
Hides of cattle	202,000	200,000
Hides of calves	128,000	177,000
Sheepskins	247,000	305,000
Factories for the treatment of flax and hemp :	Metric tons	Metric tons
Flax fibre	2,583	2,032
Flax-spinning mills and weaving mills :		
Flax and hemp	4,961	4,197
Workshops manufacturing baskets and brushes :		
Pigs' bristles	2.2	4.8
Horsehair	5.9	7.1
Textile factories :		
Uncarded wool (from local sources)	—	1,500

Other branches of industry—*e.g.*, the timber industry and the branches handling minerals—are also closely connected with

rural life. The following table shows the distribution of undertakings among the various groups of industries in 1937.

Industry in 1937.

Number of undertakings	Staff	Workmen	Purchases of fuel, lubricants, electric power	Value of raw materials	Wages paid to staff	Gross output	
						Total	Included in this total, work executed for others
In thousands of lats							
<i>1. Manufacture of Agricultural Products.</i>							
1,858	18,290	13,438	6,337	126,297	17,752	178,159	8,150
<i>2. Manufacture of Forest Products.</i>							
543	16,802	15,211	3,492	43,444	15,956	85,208	4,307
<i>3. Mineral Manufactures.</i>							
153	5,136	4,723	2,903	2,589	4,639	15,491	3
<i>4. Other Undertakings.</i>							
3,163	71,689	60,814	15,940	166,187	85,692	357,971	71,924
Total	5,717	111,917	28,672	338,517	124,039	636,829	84,384

Craftsmen play an important part in the economic life of the country districts.

In 1935, there were 41,096 concerns conducted by craftsmen, 17,912 of them being in country districts. These undertakings employed in all 54,827 persons, 21,660 of them in country districts. The total value of the output was 13,530,000 lats, the output of concerns in country districts being 1,981,000 lats.

The following table gives an idea of the various branches in which craftsmen were engaged in 1935 :

	Number of undertakings	Persons employed	Turnover in thousands of lats		
			Goods produced	Work done to order	Total
Total	41,096	54,827	13,530	29,422	42,952
Percentage	100.00	100.00	100.00	100.00	100.00
Of this total, there were in country districts	17,912	21,660	1,981	7,671	9,652
Percentage	43.59	39.51	14.64	26.07	22.47
Branch :					
Tailors	3,773	4,295	4	1,420	1,424
Blacksmiths	3,531	4,211	133	1,774	1,907
Carpenters	1,741	2,543	—	1,065	1,065
Shoemakers	1,462	1,582	120	515	635
Masons	1,446	1,874	—	701	701
Cabinet-makers ..	1,316	1,492	92	592	684
Joiners	784	898	23	374	397
Coachbuilders ..	739	818	60	277	337
Coopers	229	247	44	50	94
Saddlers	205	221	28	76	104
Tanners	189	245	64	103	167
Potters	138	195	80	2	82

Progress in agriculture also benefits the branches of industry which use agricultural products as their raw materials. More persons are employed, and their total earnings are bigger. This increases the purchasing power of a large class of the population, intensifies activity in all branches of national economic life, and raises the standard of living in the countryside.

VIII. VARIATIONS IN YIELD AND ORGANISATION OF MARKETS

Agriculture began to revive in the budgetary year 1932/33, which marked the end of the economic depression, and this upward movement became more pronounced in 1934, the year in which the authoritarian regime was introduced. The prices of all the principal economic products were guaranteed, and this had the effect of stimulating agriculture and making it profitable once more. Not only did the capital invested in agriculture begin to bear interest, but agriculturists themselves obtained an adequate return, which increased the national revenue as a whole. This development is illustrated by the following figures, showing the yield of agricultural undertakings :

Year	Net yield per hectare of cultivated land	Net yield as percentage of capital invested	Value of crop per hectare (price paid by the first purchaser)	National revenue per hectare of cultivated land (price paid by consumer for the crop per hectare of cultivated land)
	Lats		Lats	Lats
1927/28	+ 18.63	+ 3.17	64.52	108.34
1928/29	— 9.47	— 1.56	35.66	79.61
1929/30	+ 24.30	+ 3.97	69.55	110.16
1930/31	+ 14.88	+ 2.25	54.26	99.27
1931/32	— 17.98	— 2.83	22.61	59.07
1927-1932	+ 5.09	+ 0.82	48.43	90.53
1932/33	+ 4.20	+ 0.71	40.51	67.94
1933/34	+ 22.61	+ 3.85	56.40	88.07
1934/35	+ 19.46	+ 3.30	52.27	84.24
1935/36	+ 16.51	+ 2.77	48.48	81.41
1936/37	+ 27.05	+ 4.52	61.63	96.59

The variations in the agricultural yield were influenced by the fact that the market for agricultural products had not yet been completely regulated.

The following table shows the development of agriculture according to the index of purchasing power reduced to the value of agricultural products (1927-1931 = 100).

Year	Index of purchasing power reduced to the value of agricultural products
1932	72
1933	88
1934	82
1935	82
1936	86
1937	96

*
*
*

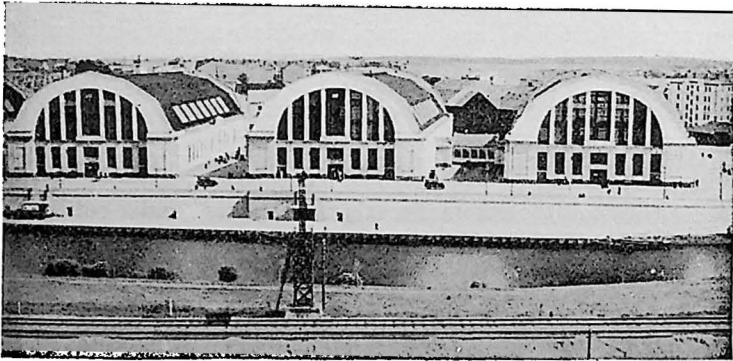
The steps taken by the Government to regulate markets included the fixing of guaranteed prices for certain agricultural products and measures to improve the quality of products or to stimulate their marketing or export; fixed prices were also imposed for products of importance to agriculture, such as chemical fertilisers, certain building materials and agricultural machinery.

In 1932, when agricultural prices fell to rock bottom in the world market, the Government introduced a policy of subsidies for certain branches of agriculture. This policy was extended and subsequently modified; since May 15th, 1934, it has been a cardinal point of the Government's programme. Although the crisis was overcome some time ago, the Government is pursuing its efforts to organise and regulate the market, taking the view that agriculture, as the basis of the national economy, should be protected from the fluctuations of the world market, especially as it is not, and cannot be, organised with the same degree of elasticity as industry and trade.

The Government considers that the farmer should receive a fair return on his products, to enable him to cover the cost of production and make a certain profit. The guaranteed prices for these products were accordingly fixed on the basis of the cost of production. These prices, which are uniform throughout the country, are fixed as early in the year as possible—in many cases, in the spring—so that the farmer, when weighing up the advantages of the different crops, may select those he considers most profitable. At the present time, guaranteed prices are in force for the following products: (1) wheat, (2) rye, (3) barley, (4) oats, (5) peas, (6) pigs, (7) butter for export, (8) eggs for export, (9) potatoes intended either for export or for the distilleries, (10) flax, (11) hemp, (12) sugar-beet, (13) wool, (14) hides and skins, (15) cheese, (16) medicinal plants, (17) clover seed, (18) timothy seed, (19) vegetable seeds, (20) sugar-beet seed, (21) fodder grass seed, and (22) honey for export. The prices of butter, cheese, eggs, pigs, wool, and hides and skins are fixed for periods of from two to six months; and those of other products, for one year.

The second stage of the scheme for the assistance of agriculture consisted in efforts to improve the quality of the products, so as to facilitate their sale in foreign markets. In this direction, the following results have been obtained: (1) the policy of fixing higher prices for better qualities has encouraged the farmer to place superior products on the market, so that the standard of production is rising; (2) the inspection of crops such as clover-seed, cereals, and potatoes by agricultural experts has enabled farmers to obtain higher prices for these controlled products;

(3) the stipulations are to the areas in which clover seed and vegetables may be grown, and the regulations governing the nursery-garden and vegetable-seed trade, have had a similar effect. The Government has decreed that these crops must be grown in certain areas where geographical and other conditions are most favourable, and has prohibited the cultivation of similar varieties elsewhere. The regulations governing the nursery-garden trade provide that only plants of a certain variety may be sold, and that the authenticity of that variety must be guaranteed. The object of the regulations governing the trade in vegetable seeds is to restrict the number of varieties and to encourage the cultivation of those best suited to the climatic conditions.



The central market-halls at Riga.

The Government's efforts to organise the market for agricultural products would have been incomplete had it omitted to take into consideration the sale of the crops. It has given the farmer a guarantee that he will be able to sell the whole of his crop, and protects him from a collapse of prices when harvests are abundant and he may find it impossible to dispose of the whole crop. Certain products, such as cereals, flax, hemp, and sugar-beet, are purchased by Government authorities; others, by joint-stock companies or co-operative organisations, the majority of whose shares are held by farmers or their co-operative societies. For instance, the joint-stock company "Bekona Eksports" (Bacon Export) buys live-stock; "Latvijas centrālais sēklu eksports" (Central Office for the Export of Seed) undertakes the purchase and export of clover seed, fodder grass, vegetables and sugar-beet, corn seed, potato seedlings, and potatoes for consumption; "Latvijas piensaimnieku centrālā

savienība" (Central Union of Dairies) buys and exports butter, cheese, honey, and eggs; "Ādu un vilnas centrāle" (Central Office for Hides, Skins, and Wool) deals with hides and skins and wool; "Zvejnieks" (The Fisherman), a limited company, is the only wholesale organisation in the fish trade.

The production of commodities for which there is only a limited market is regulated. The Government, or the authorised organisation, after assessing requirements and market capacity, allots a proportion of the production to each area and each undertaking. In the spring of each year, contracts are concluded for the supply of sugar-beet, medicinal plants, vegetable seed and fodder grass, etc.

As regards fishery products, the fishermen's co-operative societies have received lorries from the Government for the carriage of fish to places inland; the market has thus been appreciably extended, and the rapid and more regular distribution of fish ensured throughout the country.

To enable farmers to purchase the necessary material, the Government has fixed stable and uniform prices for chemical fertilisers, which are distributed by the limited company "Turība", and also for cement, artificial slate, and earthenware drain-pipes.

The Government has also devoted special attention to the organisation of the external market. Exports consist chiefly of agricultural produce and timber. In 1937, agricultural and stockbreeding products accounted for a third of the total exports (33.81%), and timber for 45%.

The chief product exported is butter; in 1937, it represented 51% of the value of agricultural products exported. It is followed by meat and live-stock (15.34%) and flax fibre (14%). Exports of clover seed and timothy grass seed are also of some importance; this likewise applies to calf-skins (4.36%). The export of eggs, medicinal plants and potatoes is steadily increasing.

Latvia is no longer obliged to import any foodstuffs, and has even begun to export certain products which she was formerly compelled to import, such as medicinal plants, seeds (vegetable, fodder grass, beet), and wheat for bread-making, and this has helped to increase revenue and the purchasing power of agriculture.

IX. STANDARDISATION OF AGRICULTURAL PRODUCTS

Being anxious to keep up the reputation of Latvian agricultural products abroad, the Latvian Government is taking steps to improve and stabilise quality. Agricultural products intended for the home market are also being gradually standardised to meet the increasing demands of local consumers and as a result of the marked tendency towards centralisation and specialisation.

The following agricultural products have been standardised :

Dairy products.—The quality of these products, whether intended for export or for local consumption, is fixed by special legislation. Similarly, their preparation in dairies and cheese-dairies is strictly regulated.

The standardisation of the quality of butter for export is controlled by the State Butter Inspection Office, which, towards the end of 1934, was converted into a Dairy Produce Inspection Office. The earliest provisions regulating the inspection and export of butter date from 1922. At the present time, the Law of 1934 regulating the inspection of and trade in dairy products is in force, as amplified by various provisions dealing, not only with the manufacture of and trade in dairy produce, but also with the quality of the raw material and the supply of milk to dairies.

In determining the quality of butter for the purpose of grading, the experts observe the following rules :

Grade I(a) butter must obtain at least 11.6 points out of a maximum of 15; the barrel must be of standard weight (50.8 kg. net), and the water content of the butter must not exceed 16%; the butter must be sufficiently compact, and the packing must be flawless.

Grade I(b) butter must obtain from 11.1 to 11.5 points and comply with the requirements laid down for the previous grade.

Grade II(a) butter must obtain from 9.6 to 11 points and comply with the requirements laid down for the previous grade.

Grade III butter is not allowed to be exported.

Barrels of butter intended for export must bear the official control mark : Grade I butter, a garland of oak leaves on one of the staves ; Grade II butter, the same garland with a green mark superimposed on it, bearing the words " Second Quality ".

In the dairies, milk is divided into three grades, according to taste, smell, purity, and reducibility. Grade I consists

of milk which has obtained at least three points for the above-mentioned qualities. Grade II must obtain at least two points; milk which fails to obtain these two points is relegated to Grade III.

The quality of the auxiliary substances used in the preparation of butter has also been fixed, and special rules have been laid down for the pasteurisation of cream, the degree of moisture of butter intended for export (16%), and packing and marking.

At the present time, there is a tendency to centralise production and sale. A particular area is allotted to each dairy, while exports are in the hands of a single organisation—the Latvian Central Union of Dairies. Consignments of butter for export must be placed in the Government's cold store at Riga or the branch at Liepaja. All dairy products intended for export are subject to compulsory inspection and analysis, which are carried out in Government institutions. Similar regulations are in force for dairy products intended for home consumption.

Meat.—The export of meat is subject to supervision by the Ministry of Agriculture.

Animals whose meat is intended for export are examined, both before and after slaughter, by the veterinary surgeons attached to the slaughterhouses. The meat is subjected to microscopic and macroscopic inspection, and its subsequent preparation must also be supervised by a veterinary surgeon.

The carcasses of pigs to be converted into bacon (half-pigs, salted and smoked) are branded with the words "Latvian Bacon".

Bacon is divided into several grades, according to weight and the thickness of the fat.

The fat must be firm and white in colour, and the ham must be of a good shape.

Wool.—Wool is divided into two main kinds: *fine wool*, obtained from thoroughbred sheep, of which there are six varieties, and *coarse wool* (five varieties), obtained from local sheep. Each of these varieties is subdivided into five different grades, according to the degree of purity (from 60% to 100%).

The trade in sheep's wool is exclusively in the hands of the joint-stock company "Ādu un vilnas centrāle", which purchases the wool at a fixed price.

Eggs.—Eggs are graded for export and prepared under the supervision of the Ministry of Agriculture. They are exported exclusively through the Latvian Central Union of Dairies. The eggs are collected by the agricultural organisations and firms registered with the Ministry of Agriculture, which, in accordance with official instructions, divide the eggs into three

grades : A, fresh eggs ; B, refrigerated eggs ; C, preserved eggs. Fresh eggs are divided into two qualities.

Fresh or selected eggs for export to the United Kingdom are divided according to weight into seven grades (from 50 grammes to 68.09 grammes and over) ; those exported to Germany, into five grades (from 50 grammes to 55 grammes and over).

All eggs for export are marked with an indelible stamp. They are packed in boxes of 360 or 720. Before they are packed, a card, giving in English the name of the organisation or firm by which they were sorted and the checker's and packer's numbers, is placed at the bottom of the box, and a duplicate under the lid.

Boxes of eggs for export bear the mark of the organisation or firm by which they were sorted. The serial number of the box must appear on the left end, and the weight in lb. avoirdupois or grammes on the right end.

The Egg Export Control Office affixes the control mark to the boxes and issues to exporters, in respect of consignments passed for export, certificates showing the numbers of the boxes exported.

Wheat.—A definite standard for wheat was established in 1930. Each year, before the purchase of wheat is begun, the standard for wheat and peas fixed by the Wheat Office, and confirmed by the Minister of Agriculture, is published in the official journal *Valdības Vēstnesis*. This standard, which is in force throughout the country, may only be modified by the Minister of Agriculture. It is fixed according to the data obtained by the analysis of samples of wheat and peas. As soon as the harvest begins, the Wheat Office takes several hundred samples of wheat and peas from different parts of the country, in order to ascertain the following qualities : weight in kilogrammes ; percentage of purity ; percentage of moisture ; content of other crop seed ; percentage of sprouted or damaged seeds. These figures serve to determine the standard. For the most part they are stable, except as regards the weight and the percentage of sprouted seeds, which varies from year to year, according to climatic conditions, though never very considerably.

Seed.—The seed trade is supervised by the Ministry of Agriculture, which determines the quality of the seed passed for sale ; it fixes each year the minimum purity and germinating power, and the maximum weed content admissible. Those conditions are liable to certain fluctuations, according to the quality of the crop. Seed exported abroad (flax, clover, timothy grass, etc.) is subject to even stricter supervision.

Seed is not allowed to be exported until it has been examined at the Control Station attached to the Ministry of Agriculture ;

if the result of this examination is satisfactory, the seed is despatched abroad in sealed bags marked to show the quality. The Control Station examines the seed in accordance with the rules drawn up by the International Seed-testing Association. In the case of consignments passed for export, the Control Station issues to the exporter a certificate showing the quality of the seed (purity, germinating power, weed content, provenance, etc.), and the number of the sealed bag in question. The export trade in clover seed, timothy-grass seed, and fodder-grass seed is exclusively in the hands of the joint-stock company "Latvijas centrālais sēklu eksports", which guarantees the homogeneity and superior quality of the seed exported abroad, and thus helps to standardise it.

Flax.—The flax trade is a State Monopoly, controlled by the Government's Flax Monopoly Board. The flax is purchased from the special stations in accordance with the standardisation rules, and a copy of the delivery certificate is transmitted to the seller, specifying the grade to which the consignment is allotted. Since it is not possible for the various stations to grade flax in an absolutely uniform manner, it is carefully regraded at the central depots.

There is a whole series of different qualities of flax.

Standards are established by the Flax Monopoly Board, which calls together for that purpose the representatives of the institutions concerned and of producers' and traders' organisations. The grading system employed for Latvian flax is held to be the most stable, and enjoys a good reputation in the international trade. In the statistics of flax prices, market fluctuations are recorded according to the quotations for Latvian flax, although, from the point of view of the volume of exports, it represents only from 5% to 10% of the flax sold in the world market.

Fruit.—The home and foreign trade in fruit is governed by a special law of 1936, under which apples are divided into four grades. The quality of the apple is determined by the degree of ripeness, the minimum size corresponding to the grade, shape, characteristic colour, and soundness. Each grade is divided into three groups, according to size : (1) small, (2) medium, (3) large, a maximum limit in millimetres being fixed for each group.

Pears are graded in the same way as apples.

Strawberries, raspberries, gooseberries, plums, cherries, bilberries, whortleberries, and cranberries are divided into three grades, according to quality as determined by their degree of ripeness, firmness, size, cleanliness, and soundness.

Methods of packing have also been standardised. For the carriage of apples and pears, three types of box may be used,

holding 50, 32, and 25 kg. respectively. For the carriage of berries by navigable waterways or asphalted roads, boxes holding 25 kg. must be employed, and by other routes, baskets containing from 0.5 to 3 kg. net.

The control of foodstuffs prepared from fruit and berries is provided for by a special law which stipulates that good-quality raw materials shall be used and that the foodstuffs shall be carefully prepared. Only a certain quantity of water may be added, with no chemicals of any kind, and the product must be packed in tins or barrels.

Fishery products.—These products have been standardised both for the export and for the home trade. A special law promulgated in 1929 established the control of the export of fish and fish preparations. In virtue of this law, fish, whether fresh, frozen, smoked, or otherwise prepared, is subject to general inspection, while tinned fish and salted or soured fish are examined for quality, taste, appearance and packing. Standard dimensions have been fixed for tins, which may only be made of new tinplate. The tin coating must not contain more than 0.2% of lead. The containers and tools used in the preparation of tinned fish must not be made of a metal alloy containing more than 1% of lead or any other harmful substance.

X. CO-OPERATION

One of the oldest forms of co-operation in Latvia is co-operative credit.

This movement began about 1870, when serfdom was abolished and the Lettish peasants were settled on their land as owners, tenant-farmers, or *métayers*. In the absence of acceptable credits, the peasant-farmer was obliged to have recourse to co-operation, in order to buy his farm outright. The agricultural depression, which made it impossible for the peasants to settle their very heavy private debts in cash, likewise induced them to form co-operative societies.

The first co-operative organisations of this kind were established in the provinces of Kurzeme and Zemgale. They did not make their appearance in Vidzeme until about 1880, and in Latgale until 1905. A fairly close network of co-operative societies was established in a very short time, and by 1913 the number of credit and savings organisations amounted to 236, their total assets to 65.9 million gold roubles, and their total membership to 112,000. At that time, 70% of Latvian agriculturists belonged to credit and savings organisations. The activities of the co-operative societies were very far-reaching; they granted credits both to the owners of farms and to the new economic undertakings (co-operative dairies, etc.), and spent large sums for cultural purposes.

The co-operative credit organisations charged from 6% to 7% interest on loans and paid from 5% to 6% on deposits. They had the support of all classes of the population. For instance, according to the reports for 1913, 62.9% of depositors were agricultural labourers and 67.3% of debtors were tenant-farmers.

In spite of all these activities, the co-operative credit organisations did not succeed in creating a central organisation until Latvia had acquired her independence. It was not until 1920 that an organisation of this kind, the "Latvijas Tautas Banka" (Popular Bank of Latvia), was established.

The war and the disturbances it brought in its train destroyed the material bases of co-operative credit, but, although the co-operative credit societies did not possess large reserves of capital from pre-war days, the traditions of sound co-operation handed down to them were of equal value from a moral standpoint.

Under the ægis of the independent State, the huge task of organisation had to be begun all over again, just as rural life had to be reorganised and all the property devastated, burnt,

or demolished, to be made good. There were no buildings, agricultural equipment, or live-stock left. Needless to say, very large sums were required to restore all the property demolished and to carry out schemes for the future. The young State, which had so many urgent requirements to meet, was unable to obtain those sums, and the officially recognised co-operative credit and savings organisations had an important part to play at that time, when the State was faced with economic difficulties. Their number and activities accordingly increased. This applied particularly to the rural credit and savings organisations, which, in 1937, distributed about 43% of the short-term credits and 14% of all agricultural short- and long-term credits.

The rural credit and savings organisations grant short-term loans (up to twelve months) to farmers for their proved requirements. These loans can be extended at maturity, provided that a certain percentage is paid off. Loans are also granted to agriculturists' organisations. The loans granted by the credit and savings organisations are distributed as follows :

- (1) Purchase of property and land, 10% ;
- (2) Building and repairs, 25% ;
- (3) Drainage, 15% ;
- (4) Purchase of agricultural equipment, 20% ;
- (5) Purchase of live-stock, 5% ;
- (6) Purchase of seed, 5% ;
- (7) Purchase of chemical fertilisers, 10% ;
- (8) Settlement of successions, 5% ;
- (9) Other purposes, 5%.

The loans granted by the credit and savings organisations are specially adapted to the needs of farmers, thanks to the favourable conditions of payment and moderate rate of interest. From 5% to 7% interest per annum is charged on loans, according to the funds available.

At the beginning of 1937, there were 532 credit and savings organisations, including 325 rural organisations, with 130,000 members. The total assets of the credit and savings organisations amounted to 105,700,000 lats, of which the assets of the rural organisations accounted for 63,300,000 lats. On January 1st, 1937, there were 104,000 deposits with the credit and savings organisations, amounting to a total of 35,100,000 lats. Farmers' deposits, which were the most numerous, represented 23.4%. The number of persons (including legal entities) in receipt of credits from the credit and savings organisations was 159,000, or about four-fifths of the members. The total sum lent by

those organisations was 81,700,000 lats, of which 44,000,000 lats—more than half—were lent to 91,245 farmers. These farmers received 41,700,000 lats in loans from the rural organisations, the loans of the urban organisations representing only 2,300,000 lats.

It would be impossible for the rural organisations to distribute such large credits to farmers were it not for the loans they receive—almost exclusively from the Bank of Latvia—which amount to half the total assets. During the last few years, thanks to the reorganisation of co-operation on a sounder basis, the amounts of loans have gradually decreased, while deposits with the credit and savings organisations have increased. As deposits increase, the organisations will have larger funds available and will be able to meet the farmers' requests for loans out of their own resources.

The co-operative credit movement is bound to go ahead still further, and to win the confidence of the whole population, as a result of the law promulgated on July 1st, 1938, regarding the State fund guaranteeing deposits with credit and savings organisations.

While the co-operative credit organisations played a highly important part during the revival of economic activity and when the organisation of the State was first begun, the co-operative dairies now discharge a no less active rôle. In conjunction with the State credit establishments, the co-operative credit societies regularise the country's economic life and enable it to attain its objectives. The activities of the co-operative dairies, on the other hand, go beyond the national frontiers and reach world markets.

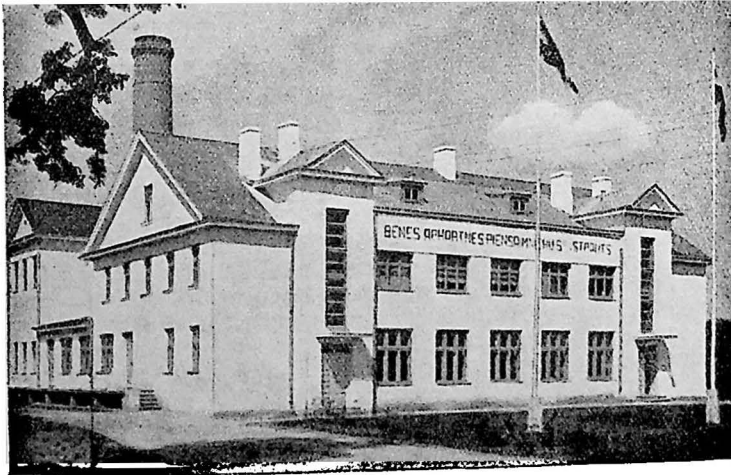
Co-operation in the dairy industry was introduced into Latvia comparatively recently. The first co-operative organisation of this kind was established in 1909, whereas the first co-operative dairy in Denmark—at Hjødding—was established in 1882. This time-lag of twenty-seven years represents a long period in the economic life of a country. Latvia, which was devastated by the war, had to make special efforts to catch up with her neighbours, whose capital resources and experience were greater than her own.

Dairy societies can make no progress without the rational organisation of stockbreeding, without markets, and without organisations to provide technical assistance. Before the war, therefore, when political organisations and economic undertakings were hampered by administrative measures, this form of co-operation naturally developed very slowly, but greater efforts have been made to organise it on rational lines since Latvia obtained her independence.

At the beginning of 1937, there were 268 dairy societies on the register. There were formerly a greater number, but;

in order to rationalise the work and reduce the cost of manufacture, certain dairies have been amalgamated. In addition to these 268 central dairies, there were 1,036 skimming-stations in 1937. In that year, the dairy societies had a membership of 18,541, while the number of milk suppliers was 56,446. In 1936, the dairies received milk from 333,231 milch cows, representing 38% of the total number of milch cows in the country. The quantity of milk supplied was 543 million kg., which was utilised as follows :

For making butter, 95.97% ;
 For making cheese, 0.57% ;
 For making cream, 1.16% ;
 For requirements of the personnel, 0.13% ;
 Consumed raw, 2.02 % ;
 Other uses, 0.15% .



A co-operative dairy.

The principal product, therefore, was butter, the output of which in 1937 amounted to 21,855 tons.

Among the most recent enterprises for the conversion of agricultural products, mention should be made of the new distilleries which began to be established in the second half of 1937 as the outcome of a proposal made by the President of the Republic during the discussion on co-operative societies. These undertakings are to entrust the distillation of alcohol to potato-growers, and to allow the latter to reap the proceeds

of this profitable industry. Twelve co-operative distilleries had already been established by the end of 1937.

Mutual insurance societies are among the most important co-operative organisations. Their main purpose is to insure the real property of their members against fire. A few of them (about twenty-two) also insure live-stock.

At the beginning of 1937, there were 401 mutual insurance societies in rural districts, with a membership of 103,055, representing an average membership of 257 for each society.

On January 1st, 1937, the assets of these societies amounted to 5,530,000 lats, the principal item, representing four-fifths of the total, consisting of capital. At the beginning of 1937, the deposits of these societies with the credit and savings organisations amounted to 4,338,000 lats, representing 78% of the assets. The greater part of this sum was deposited with local credit and savings organisations. In 1936, the total insurances amounted to 448,000,000 lats. In the case of the rural insurance societies, the sums representing insurances increased more rapidly than the premiums collected. The percentage of premiums collected in relation to total insurances fell from 3.09% in 1930 to 2.36% in 1936. This decrease was due to the reduction in rates and the exemption from payment of insurance premiums granted to persons who had been insured for a long time without incurring any loss on account of fire.

The consumers' societies must also be included among important co-operative undertakings. Consumers' co-operation has passed through several stages of growth : it is one of the oldest forms of rural co-operation.

Even before the war certain rural consumers' societies had formed central organisations, among them the central society "Konzums", etc. During the first years of Latvia's independence, some of those central organisations played a very important part in provisioning the population and the army. With a view to the systematic co-ordination and reorganisation of co-operation as a whole, the law on the establishment of the central co-operative organisation was promulgated on December 31st, 1936. This was followed by supplementary provisions and special instructions, in accordance with which the central society "Turība" was established. This society was required to take over, by agreement, the assets and liabilities of the central co-operative organisations, together with all their rights and obligations. In virtue of this law, no new society may be established unless it is deemed to be necessary after its economic programme has been examined in detail.

By their very nature, consumers' co-operative societies call for considerable organising ability on the part of the management. They also need faithful customers who have been won over to the idea of co-operation. For these reasons,

the consumers' co-operative movement still has a long way to go in certain districts, although the majority of the population is now in favour of this form of co-operation.

In 1935, the total number of retail sale trading concerns was 29,576, of which the shops of the consumers' societies represented no more than 1.3%. Only in the food trade was the proportion as high as 4.7%. Nevertheless, the turnover of the consumers' societies in the food trade, as compared with all other shops of that kind, was much higher (16% in 1935). During the last few years, the business of the consumers' societies has grown rapidly, and from 1935 to 1936 it increased by 30.6%. Latterly, these societies have obtained their supplies direct from producers and State undertakings, and have reduced the proportion of goods purchased from traders.

Before concluding this survey of the principal co-operative organisations, we would point out that, on the initiative of the President of the Republic, important joint-stock companies have been established since May 15th, 1934, the shares being held by agriculturists or agricultural co-operative societies. These companies include the "Bekona Eksports" (Bacon Export), "Sviesta Eksports" (Butter Export), "Latvijas centrālais sēklu Eksports" (Latvian Central Seed Export Depot), "Ādu un vilnas centrāle" (Central Office for Hides, Skins, and Wool), "Latvijas Koks" (Latvian Timber), etc. These co-operative organisations were established, not for the main purpose of making profits, but for the systematic sale of agricultural products under fair conditions.

Lastly, it may be asked to what extent the Latvian peasants have benefited by the establishment of all these co-operative undertakings.

In the past, these undertakings, apart from their economic rôle, had a highly important political part to play: they organised the people and thus prepared the ground for the establishment of the independent State. The co-operative movement is now playing a more and more important part in economic organisation, and, in the near future, rural economic life as a whole may be controlled by the producers—the Latvian peasants. The political rôle of the co-operative movement is to consolidate national unity.

XI. AGRICULTURAL CREDIT

Agricultural credits are granted chiefly by the State Land Bank, the Bank of Latvia, the savings banks, and, since 1935, the Peasant Credit Bank. The State Land Bank grants agriculturists mainly long-term credit, and the other institutions above referred to grant short-term credit. The following figures show the value of long- and short-term credit operations transacted : in 1938, agricultural indebtedness amounted altogether to 292.2 million lats, 201.9 million lats being loans granted by the State Land Bank, 61.3 million lats loans granted by short-term credit institutions, and 29 million lats miscellaneous loans. Thus, the loans made by the State Land Bank accounted for 69.1% of the total, out of which short-term loans accounted for only 7.9 million lats. Accordingly, long-term loans not repaid amounted to 194 million lats, or 66.4% of the total agricultural indebtedness.

In recent years, the long-term loans granted by the State Land Bank have gradually increased. In 1929, they formed 56%, and in 1933 59.9%, of the total credits granted. The Land Bank has been specially active since 1933, at which time the short-term loans granted to 29,000 rural holdings began to be readjusted ; the amount of short-term loans converted was 25 million lats.

The readjustment of loans has been largely responsible for consolidating and improving the situation of agriculturists. More advantageous payment terms have reduced the amount of annual payments to about 1½ million lats.

The long-term loans granted by the State Land Bank for the purchase of land and for agricultural buildings are repayable over forty-one years ; those earmarked for the purchase of agricultural implements, stock and seed, over twenty-eight years ; and short-term loans, over three years, with the option of renewal. The rate of interest ranges from 2% to 4% per annum, with an additional ½% for administrative charges.

The credit facilities given by the State Land Bank are not confined to the requirements of individual farm holdings, but may be extended to such rural organisations as co-operative dairies and distilleries.

Among the credit institutions doing short-term loan business, the most active are the rural savings banks (see chapter "Co-operation"), which are financed by the "Latvijas Banka" (Bank of Latvia) to the extent of about half of the total balance-sheet

figures. The Bank thus co-operates indirectly in agricultural credit transactions.

The balance of the loans granted by short-term credit institutions amounts to 7.4 million lats, divided between several institutions, chiefly the Peasant Credit Bank and the Bank of Latvia. The former bank, which was founded in 1935, makes loans mainly to agricultural organisations and communes and exercises an influence which, though indirect, is no less important than that of the two banks above mentioned, chiefly because of the very advantageous repayment terms which it can offer.

The function of the Bank of Latvia in granting credits to agriculturists is steadily diminishing, as a result of the gradual readjustment of the loans and the transfer of most of them to the State Land Bank.

The balance—viz., 29 million lats (out of a total of 292.2 million lats)—consists of miscellaneous private credits and amounts only to 9.9% of the total agricultural indebtedness. In 1933, these private credits still amounted to 66.8 million lats, or 20% of the total agricultural indebtedness. The decline is due to the readjustment of loans and to the fact that, in recent years, the sound policy pursued by an authoritarian Government has materially increased the yield from agriculture.

Though the State Land Bank has taken over a large proportion of the short-term loans, and is still granting fresh loans, the total credits granted have virtually not increased since 1933, owing to the fact that large facilities have been extended by the Government for the repayment of loans. Thus, the State Land Bank has remitted altogether 47 million lats of agricultural indebtedness incurred during the years of reconstruction and agricultural depression. This remission was carried out in virtue of special legislation and applied to : (1) the amounts owed by dairies which had been merged ; (2) the amounts owed by certain rural undertakings which could regard the remission as a kind of bonus for the work of reconstruction and installation ; (3) the amounts owed by undertakings which were ruined by the war ; (4) loans granted for the erection of farm buildings made of fire-proof material.

Mainly as a result of the remission thus effected by the State Land Bank, the total amount of agricultural indebtedness declined from 334.2 million lats in 1933 to 292.9 million lats in 1938, or a decrease of 42 million lats in five years.

At the present time, agricultural indebtedness amounts to 65 lats per hectare of the total area under rural holdings.

The chief collateral security for loans consists of bonds issued by the State Land Bank, or bills of exchange, or bonds issued by other credit institutions, in proportion to the amount of the credit and to other circumstances.

AGRICULTURAL INSURANCE

(a) *Live-stock insurance.*—In Latvia, agriculturists are statuto ily protected against loss from animal diseases, which is made good by the Government. The law on the subject was published in 1920, and, after frequent amendments, was incorporated in the Code of Agrarian Legislation published in 1937. Compensation is paid when a domestic animal dies of an epizootic disease, or has had to be slaughtered under administrative orders for combating epizootics. The insurance covers horses, cattle, swine, sheep and goats. Animals slaughtered on account of an epizootic outbreak are valued by a special board consisting of a veterinary surgeon, a representative of the Administration and the owner of the animal. The compensation paid to the latter represents 75% of the animal's value. Full compensation is paid when it is proved by post-mortem examination that the animal was perfectly healthy or died as the result of compulsory vaccination. The amount of the compensation is fixed every six months by the Ministry of the Interior, in agreement with the Ministry of Agriculture.

Ordinary live-stock insurance is not very common ; being optional, it is not governed by any special legislation, and is effected by mutual insurance companies. It applies mainly to thoroughbred stock, and the amount insured may not exceed 80% of the animal's value. Premiums range from 4% to 6% for horses, 3% to 4% for cattle, and 3% to 8% for swine and sheep. Any owner of live-stock can take out this kind of insurance policy.

(b) *Insurance against hail damage.*—The first peasants' mutual hail damage insurance companies were founded in 1891.

This form of insurance has on various occasions evoked the interest of certain joint-stock companies, but without any results.

Owing to its geographical position, the country is not much exposed to the risk of hailstorms. Nevertheless, compulsory insurance against hail was introduced by the " Law concerning Relief for the Victims of Disasters ", published on October 8th, 1935, under which a special fund was opened at the Ministry of Agriculture to help rural undertakings situated within the administrative boundaries of rural communes, on which the buildings, fruit-trees, fish-breeding installations, tilled fields, meadows, or vegetable gardens had suffered damage from storms, floods, or hail.

The fund draws its resources from : (1) State budget appropriations, (2) gifts, (3) payments made by the owners of rural holdings at the rate of 0.05% of the rentable value of such property.

Compensation is paid only if the loss amounts to at least 25% of the value of the property damaged.

The relief fund is administered by the Ministry of Agriculture, which is also responsible for paying the compensation. The board which has to make the valuation consists of : (1) a representative of the Chamber of Agriculture (district agricultural inspector), (2) a representative of the local commune, (3) a representative of the agriculturists.

The Ministry of Agriculture supervises the activities of the local boards.

(c) *Fire insurance.*—By law, all farm buildings must be insured against fire with mutual insurance companies.

XII. GENERAL EDUCATION. FOLKLORE

Before dealing with the question of general education, it will be useful to cast a glance at the school system and related activities.

The law on public education, promulgated in 1934, enacts that education is compulsory for children as from the year in which they reach the age of 8. If circumstances so require, postponement for a year may be granted.

Compulsory education is given in preparatory, primary, and auxiliary schools, and in special educational institutions for defective children, all of these being maintained by the State and municipal authorities.

The preparatory school, with a one-year course of study, is the first stage in compulsory education.

Primary schools, with six-year courses, furnish a complete course of elementary education.

The auxiliary school, with a two-year course, is open to pupils who have completed their studies at a primary school and wish to improve themselves or to be trained for practical work.

Apart from compulsory education, the Latvian school system comprises the following institutions :

Junior vocational schools—agricultural, trade, naval, etc.—which do not require their pupils to have had a secondary education. Pupils leaving these schools are not qualified to enter the university. The courses at these schools last from two to four years; they are intended to give theoretical and practical instruction of a special character.

The *secondary or grammar schools*, which are of three types—classical, arts, and modern—and accept pupils who have completed their elementary education. The course of study extends over five years, and pupils who have completed it may enter the university.

Vocational secondary schools—commercial, technical, agricultural—which aim at giving special theoretical and practical instruction in those branches.

Mention should also be made of various special *institutes*, which accept pupils who have completed their studies at a secondary school. These institutes, however, are not entitled to grant scientific degrees, and persons who have completed

their courses do not possess the same rights as persons with a university education.

The higher educational institutions are the university, the Academy of Music, and the Academy of Fine Arts.

The educational system also includes kindergartens and homes for children, which are maintained by the State and municipal authorities.

Since acquiring her independence, Latvia has done valuable work in the field of national education. The following figures for the scholastic years 1920/21 and 1937/38 show the progress achieved :

Number of Educational Institutions.

	1920/21	1937/38
Primary schools	1,584	1,904
Junior vocational schools	14	84
Secondary schools	90	114
Senior vocational schools and institutes	—	12
Higher educational institutions	2	3
Total	1,690	2,117

Number of pupils.

	1920/21	1937/38
Primary schools	153,883	231,533
Junior vocational schools	472	7,317
Secondary schools	12,842	23,797
Senior vocational schools and institutes	—	1,246
Higher educational institutions	3,948	7,302
Total	171,145	271,195

Number of Teachers and Professors.

	1920/21	1937/38
Primary schools	3,694	9,287
Junior vocational schools	50	889
Secondary schools	1,560	2,473
Senior vocational schools and institutes	—	190
Higher educational institutions	240	478
Total	5,544	13,317

Thus, in 1937/38, there was one school for every 1,035 inhabitants, each school having an average of 122 pupils, and one teacher for every twenty-five pupils.

The junior vocational schools included, in 1937/38, fifty agricultural schools with 2,074 pupils, and the total number of secondary schools included six agricultural schools with 909 pupils. The Faculty of Agriculture has at present 758 students.

The general standard of public education is high. According to the 1935 census, of the total population over 10 years of age, those able to read form, on the average, 88.85% ; the district percentages are as follows : urban, 94.06 ; rural, 85.62 ; 91.82% of the male, and 86.3% of the female, population are able to read. The highest percentage figure (96.48) is found in the province of Vidzeme, and the lowest (72.91) in the province of Latgale, where the old Russian influence is still perceptible.

Between 1920 and 1935, the percentage of persons able to read rose from 78.83 to 88.85, and in recent years there has been still further improvement in this respect.

Special attention is given to general education and, in particular, to the work done by Government and municipal institutions and by various educational bodies for improving the teaching given in schools and for the dissemination of useful knowledge. These efforts are supported by the daily and periodical Press, books, and wireless broadcasting, with favourable effects on the improvement of rural conditions.

A propaganda campaign in favour of books has been launched on the direct initiative of M. Kārlis Ulmanis, President of the Republic, who has appealed to his fellow-citizens to remember their first school and give it presents of books and educational supplies. This suggestion, which has met with a very sympathetic response, has, by securing valuable gifts for schools, enhanced the prestige of the printed word.

In recent years, broadcasting has become an extremely important factor in educational life, more especially in rural areas, where the number of wireless sets continues to increase.

Talks and short lecture courses (three to seven days) are frequently given in rural areas and are very popular, as they enable various educational and economic problems to be elucidated, and serve to propagate knowledge of new methods of work.

In 1936, for instance, the Chamber of Agriculture organised 1,595 lecture courses and 4,082 talks advocating : (a) improvements in the tilling of the soil ; (b) the adoption of new working methods ; (c) a better system of housekeeping.

Special attention is paid to household management. In the rural sphere, the chief rôle devolves on the Chamber of Agriculture, which maintains a Domestic Economy Institute, graduates from which return to their homes or work as teachers. The Institute is open to persons who have completed their secondary education. The course extends over three years, with compul-

sory practical work in summer. Special attention is paid to dietetics, rational household organisation and the technique of applying Latvian designs and ornamentation. In addition to this Institute, Latvia has in the rural districts eight domestic economy schools, one secondary domestic economy school, and three agricultural schools with special domestic economy departments. Household science is one of the items in the curriculum of all primary, secondary, vocational and agricultural schools for girls.

In the chief towns, the Chamber of Agriculture organises special three-month courses during the winter, which are very well attended. Winter is the season of the year when countrywomen can amplify their knowledge of household work.

A domestic economy section attached to the Chamber of Agriculture tries to improve the working and living conditions of countrywomen. The instructresses attached to this section acquaint their pupils with new and better methods applicable to the household. A specific district is allotted to each instructress. They give talks and lectures, organise practical demonstrations and competitions, supervise the model holdings and give hints and practical advice during visits paid to the farms in their district. Once a year, at least, the instructresses are summoned to a meeting, where they receive instructions about the work to be done.

As countrywomen in Latvia still have to work side by side with the men, both in the fields and in the farmyard, the instructresses give special attention to propaganda in favour of such installations as drains, water-supply systems, up-to-date kitchen ranges, etc.

In the sphere of dietetics, systematic propaganda is being conducted, and marked progress can be reported. The country people's diet has become more varied and larger quantities of vegetables are being eaten. More and more fruit and vegetables, too, are being preserved. In recent years, the consumption of apple-juice has greatly increased.

Meat dishes are now more diversified and the consumption of meat and fish has increased. Generally speaking, the propaganda in favour of simple, cheap food has been successful.

Even in summer-time, when there is a shortage of labour and the countrywoman is overburdened with work in the fields, in the house, and in the farmyard, she still finds a few minutes in which to make the home look nicer. Much work has been done in this connection, and it has proved possible to resuscitate the old Latvian patterns and apply them to embroidery and weaving.

Much space in the publications issued by the Chamber of Agriculture is devoted to household questions, and these are also discussed in the daily and periodical Press and in special broadcast talks.

In each commune, the agricultural society has a housekeepers' section, which arranges women's meetings, both for practical work and for social intercourse. The members of the section attend, listen to talks and lectures, discuss questions affecting their interests and ask for advice.

The Civic Guard is also a powerful organisation, which is actively engaged in popular education. It was founded during the fight for independence, and its communal sections have become the centre of local life.

The young farmers' organisations also constitute an important factor in popular education, both in the towns and in the countryside, and have done much to raise moral standards. They are controlled by the Chamber of Agriculture and accept members of both sexes between the ages of 8 and 21. In the summer of 1938, there were 1,111 organisations of this type in Latvia, with a membership of 40,000, which places them in the first rank of the out-of-school organisations for the young. These organisations strive to imbue young people with a spirit of patriotism and to develop steady characters, industrious habits and a real understanding of the technique and purpose of the work to be done.

The chief channel of education is personal, independent work. Each member cultivates a small plot of at least 100 square metres, or belongs to various groups which engage in gardening, housekeeping, or stock-breeding operations, or are trained for different trades. Work is carried out under the direction of agricultural experts or experienced farmers, often on the family farm. Sometimes, the small field cultivated by the young person becomes a demonstration field for propagating a knowledge of new methods. Sport is very popular among young country people. The organisations have white-and-green banners, and members are entitled to wear uniform.

Every autumn, a small exhibition is organised to display the results of the harvest—fruit, wheat, vegetables, etc. These exhibitions also serve to spread a knowledge of new methods of adapting scientific principles to agriculture, and show the results that can be achieved by following expert advice. It should be observed that the members of the young farmers' organisation are no longer anxious to leave the family farm to settle in the town, so that much valuable labour is thus permanently attached to the land.

The opportunity given to townfolk to board their children out on farms during the summer has a beneficial effect on the health of the children, who are thus brought into contact with the life of the countryside and with agricultural work. Poor parents can send their children to the country at the expense of the Ministry of Social Welfare. The sickness insurance funds, the Medical Section for Government employees, the Sanitary and Public Health Service of the Railways Department and the authorities of the Disabled Ex-servicemen's Fund arrange holiday accommodation for children who are boarded out with farmers. In 1934, 1,232 children were thus boarded out in the country, and in 1937, the number was already more than 10,000. This privilege is available to children of either sex between the ages of 6 and 11 years. The Treasury has appropriated an annual sum of 400,000 lats for the purpose.

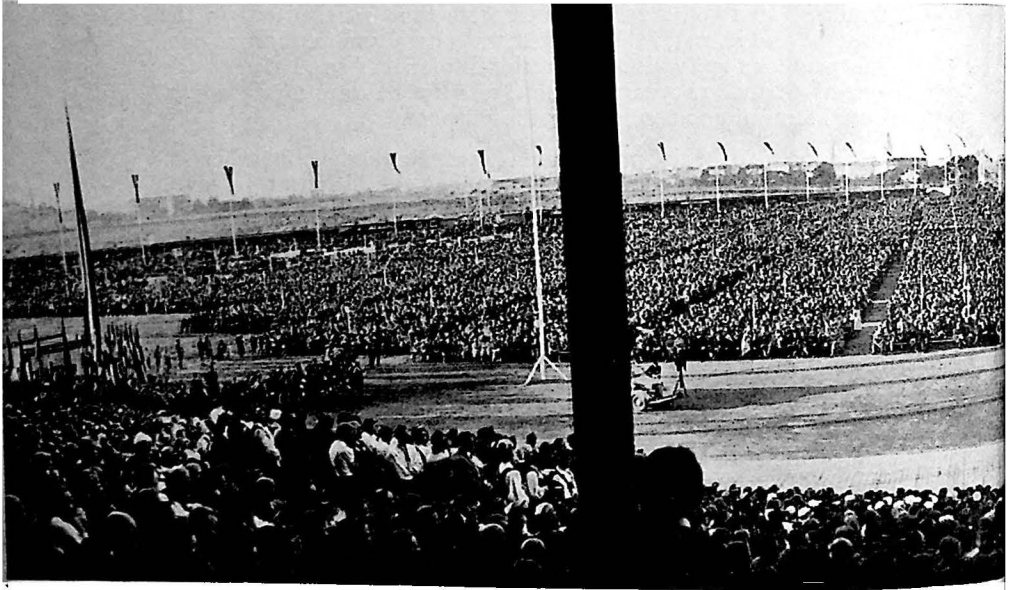
As part of this propaganda campaign, the Chamber of Agriculture maintains a large permanent exhibition at Jelgava, where there is a collection of agricultural machinery and implements of various kinds. Agriculture is rapidly becoming mechanised. The motor-car and motor tractor have been introduced into the farms, and primitive carts replaced by rubber-tired ones, which are more easily drawn. Another form of propaganda, also conducted by the Chamber of Agriculture, consists in travelling exhibitions of modern machinery and implements.

The Travel Section of the Ministry of Social and Public Affairs often arranges excursions, which are attended by both town and country dwellers, as well as by members of the Chamber of Agriculture, agricultural societies, and other organisations. Special excursions are also organised for agricultural labourers and farmers, who are thus enabled to visit different districts, inspect various types of farm and admire historical sites. These excursions have become very popular.

The efforts made to keep labourers on the land by offering them more amenities are meeting with some success. Labourers, particularly those with families, are beginning to leave the towns voluntarily and settle in the country. This movement is encouraged by Treasury grants paid to the families of labourers employed on one farm throughout a whole year and also by the privileged terms on which they are admitted to sickness insurance funds, etc.

FOLKLORE

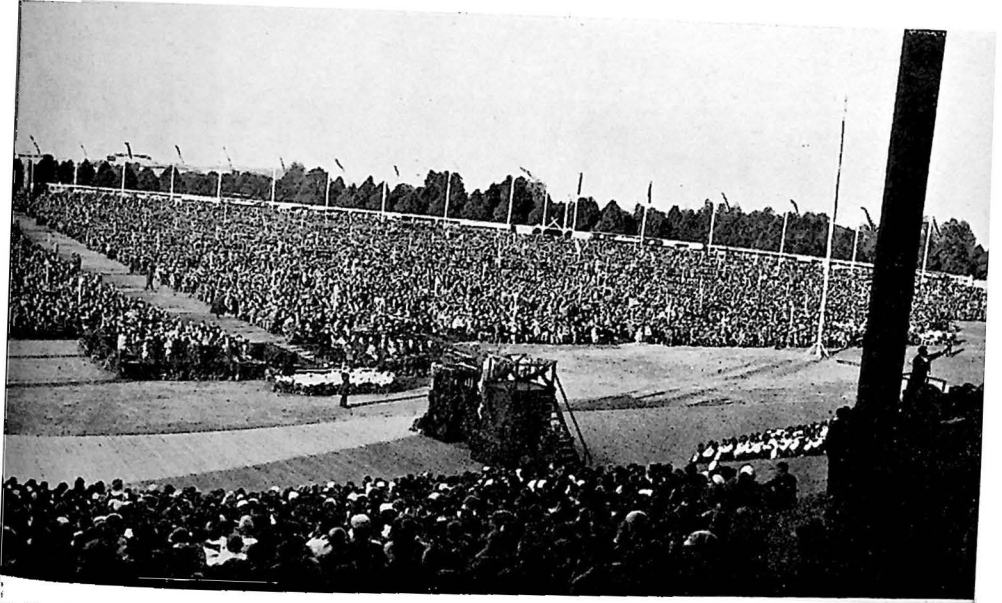
The Lettish people is one of those that have most successfully preserved their popular traditions. The fact that the Letts were kept in economic and political subjection to great land-owners of another race perhaps encouraged them to concentrate their national longings in these traditions, to express their thoughts and feelings in popular songs centuries old, to transmit



Singing

from generation to generation accounts of historical events clothed in poetic form, to invent tales about supernatural beings, to make their everyday life conform to the moral principles expressed in their proverbs, to preserve old beliefs, to exercise their minds by riddles, and so on. It is also likely that this fact helped to preserve the richly coloured national costume down to our own times. The Letts thus maintained their national spirit unimpaired through the centuries, together with a remarkable wealth of language and folklore, until they won freedom in the nineteenth century and, after a notable awakening of their national culture, political independence in 1918.

The first attempts to collect popular songs date back to the nineteenth century, towards the close of which an edition containing 217,000 songs was published. Another publication of the same period contains 3,240 tales and legends, and was subsequently reprinted with 7,895 anonymous works. However, the wealth of Lettish folklore was still far from being exhausted, and folk memory retained many popular traditions which had not yet been recorded. An institution was required to protect such traditions and prevent them from falling into desuetude.



est Festival.

This need was first met by the Folklore Archives, set up in connection with the historical monuments service at the Ministry of Education, which began work in 1925.

The schools have done a great deal to collect the treasures of the national genius; they can claim to have achieved about half the work so far accomplished in this sphere. Recently, the civic guard organisations, the young agriculturists' associations and the Boy Scouts have also shown a keen interest in folklore.

Since May 15th, 1934, when power was assumed by the authoritarian Government, which reawakened national enthusiasm, great progress has been made in regard to folklore.

The various voluntary collaborators of the Folklore Archives have so far helped to collect 74,327 variants of tales and legends, 19,837 anecdotes, 134,790 proverbs, 548,237 popular songs, and even 13,498 examples of foreign folklore, making a total of nearly a million and a-half variant texts, a number which will reach two millions when the materials which the archive workers have not yet been able to classify or to bring to light are added to it. The task of the archive workers is to arrange and publish this material.



Ninth Singing Festival. Singers in national costumes.

XIII. MEDICO-SOCIAL POLICY

Sanitary and health questions come within the sphere of the Ministry of Social Welfare, whose Public Health Department supervises the execution of health measures prescribed by law and deals with such questions as medical treatment for country-dwellers and for employees and persons insured against accidents. All the sickness insurance funds come under the Public Health Department.

In the provinces, the Public Health Department is represented by the medical officers, who are Government officials.

Three-fifths of the inhabitants of the country are insured against sickness as dwellers in rural areas; the rest of the population are similarly insured either in virtue of their position as Government officials or as persons insured with a particular fund, only an eighth of the population not being covered by the system of sickness insurance.

On January 1st, 1938, 1,566 doctors were registered in Latvia, 1,092 of whom were men and 474 women, being distributed as follows according to residence :

At Riga	830 doctors— <i>i.e.</i>	53.00%
At Liepaja	86 doctors— <i>i.e.</i>	5.49%
At Daugavpils	64 doctors— <i>i.e.</i>	4.09%
At Jelgava	45 doctors— <i>i.e.</i>	2.87%
In the other towns and in the country districts	541 doctors— <i>i.e.</i>	34.55%
	<hr/>	
	1,566	100 %

It will be seen that the doctors are not proportionately distributed over the towns and the country. The proportion is still more unequal in the case of dentists, of whom there are 810, distributed as follows :

At Riga	489 dentists— <i>i.e.</i>	60.37%
At Liepaja	33 dentists— <i>i.e.</i>	4.08%
At Daugavpils	35 dentists— <i>i.e.</i>	4.32%
At Jelgava	24 dentists— <i>i.e.</i>	2.96%
In the other towns and in the country districts ..	229 dentists— <i>i.e.</i>	28.27%
	<hr/>	
	810	100 %

For this reason, the Public Health Department recently suspended the registration of new doctors and dentists in Riga.

There are 342 district physicians in the country, each of whom is responsible for a district with a population of about 4,000. Medical assistance is supplied by the district physician, either in the form of consultations or visits to private houses, while, if necessary, the patient is sent to a specialist or accommodated in a hospital. The physician's monthly salary is fixed in proportion to the area of his district; apart from the salary paid by the Government, the district physician receives from the patient a fee of 0.80 lat per visit, together with remuneration for special services on a scale fixed by the Ministry of Social Welfare. The physician is further compensated for the time spent in travelling when paying visits to private houses. The district physician also acts as physician to the communal school.

He has to report every case of infectious disease to the Medical Officer, who takes note of such cases and reports them once a week to the Public Health Department. The Medical Officer is responsible for the isolation of the patient and for the necessary measures of disinfection.

This year, the Ministry of Social Welfare began to organise a dental service in rural areas, by which the State pays dentists a fixed salary, while the commune houses them free of charge. It was proposed to establish forty centres of this type in 1938, and the number is to be increased year by year.

For purposes of *midwifery*, the rural areas are divided into 425 districts, each of which possesses a midwife whose services are given free. Should the midwife observe any pathological symptoms, she must immediately send for a doctor. The midwife also gives instructions and advice in regard to the care of newly-born babies.

These midwives are well trained for their work by attendance for two years at special courses, during which they are obliged to live in the hospital, where they are present at numerous confinements.

With a view to improving hygienic conditions when the confinement takes place at the patient's home, the Government distributes to poor mothers layettes consisting of twenty-six articles of baby-linen. In 1938, it was proposed to distribute 10,000 of these layettes, of a total value of 330,000 lats. In order to receive this grant, expectant mothers must apply to the midwife at least two months before their confinement, and must follow all her instructions.

The Public Health Department has also instituted a system of registration for *nurses*. Nurses not officially qualified (chiefly war nurses) work under the direct supervision of the doctor, or privately. Nurses in country districts work in hospitals and public health institutes.

There are five nursing-schools, two of which are run by the Red Cross Society. The course lasts for three years.

In the rural areas, eighty-nine *public health institutes* have been opened; they are chiefly concerned with child welfare. Most of them were established by the Red Cross Society. The local municipality bears the cost of rent, heating, lighting, and cleaning, while the Red Cross pays the nurse's salary and provides medicaments, and the Government pays the doctor.

The chief private organisations whose work touches upon public health are the following :

(1) The Latvian Red Cross, founded in 1918, which works in co-operation with the Ministry of War and the Ministry of Social Welfare;

(2) The Society for the Protection of Health, founded in 1937.

To this are affiliated :

- (a) The Anti-Tuberculosis Society ;
- (b) The Anti-Cancer Society ;
- (c) The Red Cross Society.

The Society for the Protection of Health includes eight departments :

- (a) Tuberculosis Department ;
- (b) Cancer Department ;
- (c) White Cross or Anti-Venereal Department ;
- (d) Department for Assistance to the Blind ;
- (e) Department for Assistance to Invalids ;
- (f) Rheumatism Department ;
- (g) Workers' Health Department ;
- (h) Eugenics Department.

At the present time, only the first three departments exist in practice, while the others are still in process of formation.

The campaign against tuberculosis is governed by a special law, promulgated in 1936. This campaign is carried on by the Public Health Department, in which a special section has been established. Every year, considerable sums are allotted by the State budget to medical establishments for the treatment of this disease. A system of registration and supervision has been introduced for patients suffering from infectious tuberculosis. If the latter refuse to carry out the doctor's instructions, they may be placed in a medical establishment by constraint.

In connection with the campaign against tuberculosis there are :

- 9 dispensaries ;
- 9 sanatoria for consumptives, with 836 beds ;
- 2 sanatoria for consumptive children, with 165 beds ;
- 2 sanatoria for children suffering from tuberculosis of the bones, with 310 beds ;
- 4 auxiliary sanatoria, with 272 beds ;
- Several rest-cure sanatoria, some of which are open only in summer, with 250 beds ;
- Total, 1,833 beds.



The Sanatorium of Tērvete.

The law on venereal diseases came into force only in 1938, and replaced the earlier provisional regulations. This law makes the registration and supervision of patients obligatory. If the patient refuses to undergo medical treatment, he is placed in a medical establishment by constraint.

The campaign against cancer has not yet led to any special legislation ; but a system of registration and supervision has already been introduced for persons suffering from this disease.

The Government also takes steps to deal with the *insane*, and dangerous cases are placed in asylums by constraint.

Measures have been taken against *typhus*. The number of cases, which was 1,601 in 1920 and 1,546 in 1924, had fallen by

1933 to 601, and in 1937 was 656. The establishment of a special bacteriological laboratory at the Public Health Department has helped to put down this disease.

Several types of hospital exist in rural areas. The municipalities used to maintain hospitals, most of which had not more than fifteen beds. These small hospitals have been converted by law into *public health institutes*.

Most of the rural hospitals which have more than forty beds and serve several communes have been established by the Red Cross. New hospitals have recently been opened by local organisations, with financial aid from the Government and public bodies.

XIV. NUTRITION

QUANTITIES OF THE PRINCIPAL FOODSTUFFS CONSUMED BY AN ADULT IN THE RURAL AREAS

(Figures taken from the publication of the State Statistical Bureau : *The Incomes of Agricultural Undertakings, 1937*).

	VIDZEME		KURZEME		ZEMGALE		LATGALE		LATVIA	
	Years		Years		Years		Years		Years	
	1936/37 Agricultural year	1927-1932 Average	1936/37 Agricultural year	1927-1932 Average	1936/37 Agricultural year	1927-1932 Average	1936/37 Agricultural year	1927-1932 Average	1936/37 Agricultural year	1927-1932 Average
Rye Kg.	139.1	151.6	138.7	157.5	135.9	142.1	147.3	151.8	139.3	149.8
Wheat "	90.0	67.7	95.0	86.2	114.1	101.2	63.2	38.2	94.2	79.1
Barley "	61.6	69.6	66.3	57.0	49.1	39.4	54.5	53.9	56.5	56.3
Peas, etc. .. "	10.2	8.1	6.1	6.4	5.2	9.4	2.6	12.5	7.1	8.6
Potatoes "	263.6	244.9	310.1	320.3	244.1	239.3	294.7	271.9	270.0	259.8
Full-cream milk .. "	390.4	310.0	312.7	331.9	318.1	265.4	381.5	339.8	356.2	302.9
Skim-milk "	376.2	438.2	235.1	198.0	349.5	344.9	221.1	213.6	325.4	343.7
Butter "	10.4	9.4	15.3	12.0	9.9	9.5	9.6	6.0	11.0	9.6
Pork "	60.9	50.4	67.1	58.0	78.0	65.1	40.0	35.1	64.1	55.1
Mutton "	6.8	5.4	12.9	8.9	9.1	9.0	10.7	5.6	9.0	7.2
Beef and veal .. "	15.2	14.5	12.0	10.1	14.7	9.2	10.6	7.7	13.9	11.4
Eggs Number	106	77	93	50	90	71	80	65	96	69
Honey Kg.	2.4	1.4	3.5	1.3	1.9	1.6	1.5	1.7	2.3	1.5
Sugar "	25.9	28.8	23.1	23.0	27.3	33.2	12.2	17.0	24.0	28.0
Salt "	13.7	21.8	15.8	15.6	17.1	18.1	13.7	17.9	15.0	19.1
Herrings "	4.3	11.6	6.0	16.4	4.7	13.8	1.0	4.7	4.3	12.6

The quantities specified in this table give the following averages for Latvia as a whole if converted into assimilable calories (net calories) :

	Years			
	1936/37	1927-1932	1936/37	1927-1932
	Agricultural year	Average	Per day	Average per day
Rye	356,000	380,000	975	1,040
Wheat	244,000	205,000	670	562
Barley	149,000	148,000	408	405
Peas	18,000	21,040	51	58
Potatoes	246,780	237,457	676	650
Full-cream milk	235,092	199,914	644	547
Skim-milk	117,795	124,419	323	341
Butter	84,150	73,440	231	201
Pork	165,378	142,158	453	390
Mutton	21,933	17,546	60	48
Beaf and veal	21,753	17,841	60	49
Eggs	6,720	4,830	19	13
Honey	7,498	4,890	21	13
Sugar	96,240	112,280	264	307
Herrings	9,675	28,350	26	78
Total	1,780,000	1,717,000	4,880	4,700

In calculating calories, the figures given for corn are reckoned on a basis of 80% of flour; the calories derived from meat represent the arithmetic mean between the corresponding numbers of calories derived from lean and from fat meat.

It will be seen that in 1936/37 an adult's average daily consumption of net calories amounted to 4,880, as against 4,700 in 1927-1932.

In 1936/37, animal products supplied 1,816 calories, or 37.2%, as against 1,667 calories, or 35.5%, in 1927-1932.

Butchers' products supplied, in 1936/37, 573 calories (11.8%); in 1927-1932, 487 calories (10.4%); *dairy products*, in 1936/37, 1,198 calories (24.5%); in 1927-1932, 1,089 calories (23.2%).

Cereals supplied, in 1936/37, 2,053 calories (42.1%); in 1927-1932, 2,007 calories (42.7%).

In 1936/37, the average daily cost of food for an adult living in the country was 0.71 lat.

This table does not include fruit, berries and vegetables, of which a not inconsiderable quantity is consumed, especially during the summer, but which are eaten chiefly between meals.

Amongst the diseases caused by underfeeding or malnutrition, we need mention only rickets; but this disease, which was rather widespread during the early post-war years, is now becoming rare.

PREPARATION OF FOOD

Rye, wheat and barley are chiefly used as foodstuffs.

Rye is converted into bolted or unbolted flour. The latter is used for rye-bread, a healthy and pleasant food which appears daily on every table. It is eaten most extensively by country-people and by the working class in the towns. On festival days, it is used to make cakes, which are a national dish; another national dish is prepared with rye paste made of unbolted flour, eaten with milk. Rye flour is often used in the country to make dumplings or porridge. In the province of Vidzeme, a special drink, known only in Latvia, is much in favour (*kullene* in Lettish). It is made by mixing unbolted rye flour with boiling water and allowing the mixture to ferment.

Fine bolted rye flour is chiefly used in making brown bread, known as "bitter-sweet" bread.

Wheat is converted either into bolted or unbolted flour, or into peeled wheat or semolina. Unbolted flour is used for making brown bread (in the towns) or pancakes. It is also often used for making dumplings, which are eaten dry with sour cream, butter or bacon. This flour is also used to prepare a porridge which is eaten with sour cream, butter or bacon.

Bolted flour is of various qualities, according to the degree of bolting, and the quality of the wheat milled. It is eaten chiefly in the form of bread, of which there are several varieties, and of pancakes, dumplings and pastes of all kinds; it is also the chief ingredient in numerous varieties of pastry. Unbolted flour is used mostly in rural districts, whereas bolted flour is preferred by town-dwellers.

Barley is converted into meal of various grades, peeled barley and semolina. These products are served, either as special dishes, particularly barley porridge, or as ingredients in dishes made with vegetables or fruit. Barley meal is also frequently used in preparing various dishes. Barley semolina is used for the same purposes as that of wheat.

Oaten products—oatmeal and oat-flakes—are less widely used. The flakes serve chiefly as a food for the sick and the aged, in the form of sops prepared with water or milk. They are also used for making porridge, milk soups, pancakes and pastry. Oatmeal is used chiefly in the province of Latgale to prepare a dish consisting of the meal boiled in water.

Buckwheat is used peeled, split or whole, in the form of boiled or fried paste.

In addition to these native products, *rice* is widely used as a food, being served in the form of sweets or puddings. It is also eaten with meat dishes, soups and vegetables.

MILK

Milk, one of the most widely used foods, is chiefly drunk in its natural state, especially during the summer. It is supplied to town-dwellers pasteurised or stasanised, in sealed half-litre or litre bottles. This milk may be drunk unboiled without risk. Milk is largely drunk in the morning and afternoon (less frequently in the evening), instead of tea or coffee. It is generally taken hot or cold, and less frequently boiled. It is often added to porridges, to dishes made with peas and beans, and to sops. It is also used in making a number of very popular soups. In the country, milk soup is sometimes made with skim-milk, and only in this case is it usual to add a very small quantity of water, and a little cream and butter to improve the flavour.

Milk is also taken in the curdled form, as curds, buttermilk, or *kephir*—the last being popular in summer as a refreshing drink. Curdled milk and buttermilk offer the country-dweller a pleasant supplement to potatoes, groats, peas and beans. Curdled milk is most frequently prepared by natural fermentation and seldom by the use of artificial ferments. On farms, it is also made with skim-milk. From it cheese is made, the most popular being the so-called magpie (white) cheese; when mixed with sour cream, it is eaten on bread in almost every family, every morning, or with potatoes; sweets are prepared from this cheese, by adding eggs, flour and spices. It is also used in making various vegetarian dishes.

Cream is used both fresh and sour. Sour cream is more or less extensively employed in every kitchen, though in larger quantities in the towns than in the country. It is added to sauces, purées, and cream dishes, to vegetables and salads.

BUTTER

Both in the country and in the towns, only fresh, pure butter, made from cream, is used. This butter is of excellent quality, most of it being made by the co-operative dairies, which impose strict regulations concerning the quality of the milk used for churning. Butter is eaten by the whole population, though its place is taken to a certain extent, among the less well-to-do, by smoked bacon and lard. It is chiefly eaten fresh, with a little added salt.

MEAT

A considerable amount of meat is eaten, especially in the country, where it forms the chief item of almost every meal. Fresh meat is eaten chiefly in the towns, salted and smoked meat being more usual in the country. Another form of preserved meat—frozen or sterilised meat—is more accessible to the town-dweller on account of its cost.

Pork is eaten chiefly in the country, smoked and salted. It is served roasted with vegetables, eggs and bread, and is also used for making soup. Fresh pork is eaten chiefly by town-dwellers.

Smoked bacon is used in dishes made with vegetables, minced or fried meat, and with products.

Beef is eaten chiefly by town-dwellers, in the fresh state, but a certain amount of salt beef is also eaten in the country. Beef is used in making smoked sausages, which can be kept for long periods. Fresh beef is most often eaten roasted.

Veal is almost exclusively eaten fresh. In the towns, it is an all-year food, while in the country it becomes an important foodstuff only in the spring.

Lamb is usually cheap, and is eaten chiefly in the autumn, both in the country and in the towns, in the fresh state; it is served roasted, fried, or in soups. A small quantity is preserved by salting and smoking.

Poultry is eaten chiefly in autumn; at other seasons, it is rarely served. Chicken, goose, duck and turkey are eaten both in the towns and in the country, roasted or fried.

Game is eaten chiefly by town-dwellers; most of it consists of hare and venison, together with wild boar and game-birds. Game does not enter largely into the menu.

EGGS

Eggs form a valuable food, widely favoured by both the rural and the town population. Fresh—*i.e.*, non-preserved—hen eggs are the most widely used; goose, duck and turkey eggs are not eaten to any great extent. In winter, eggs preserved in sodium silicate are put on the market, and these are scarcely distinguishable from fresh eggs.

VEGETABLES

Vegetables are eaten more frequently in the towns, since town-dwellers prefer a varied diet. The average amount of vegetables used per meal and per person varies between 200 and 500 grammes, according to the way in which they are prepared.

Potatoes are the most widely eaten vegetable, especially amongst the less well-to-do, both in the country and in the towns.

Carrots are eaten chiefly by town-dwellers.

Beetroot is used in making soups and salads.

Turnips are served mashed, fried, roasted or stuffed. *Kohlrabi* and *parsnips* are cooked in the same way.

Celery, *parsley*, *leeks*, *onions*, *garlic*, and *fennel* (aneth) are used for flavouring certain dishes and soups; *celery* and *leeks* are also served, boiled or fried, as separate dishes.

Cabbage.—Large quantities of white-heart cabbage are eaten both in the country and in the towns, either fresh or prepared as sauerkraut. The latter is made chiefly with chopped and fermented cabbage, but also with whole cabbages. It is either fried for meat dishes (especially with pork) or for sausages, or used for soups, or cooked in the oven, in a mould or pot.

Red cabbage, savoy cabbage, brussels sprouts and cauliflowers are luxury foods eaten by fairly well-to-do people in the towns and in the country.

Cucumbers are eaten either fresh or preserved—pickled or salted. In private houses, cucumbers are generally salted, whereas the preserved vegetable factories usually pickle them. Both pickled and salted cucumbers are regarded as a very healthy food.

Tomatoes are used both in the towns and in the country, being eaten fresh in the autumn or made into hot or cold dishes.

Spinach, *sorrel*, *beans*, *gourds* and *pumpkins* are not much eaten.

FRUIT

Apples are the most popular fruit and are mainly eaten raw, both in the country and in the towns. Recently, a movement has been started for preserving apples. They are also used in the making of cider and apple-juice, the production of which increases every year. A certain quantity is used for jam, jelly and marmalade, especially in the rural districts. Dried apples are prepared throughout the country.

Pears.—The best varieties are eaten raw, the inferior ones being used in the making of sweets and other products.

Plums are usually eaten raw as a dessert, but a certain quantity is used in the making of jam or paste or marmalade. In well-to-do families, a very popular liqueur is made from plums, and this is also manufactured industrially. Plums are preserved chiefly by sterilisation. They are generally used only in the kitchens of the well-to-do, in the towns and in the country.

Grapes, *apricots* and *peaches* cannot be grown in the open air, on account of the climate, and are luxuries.

Cherries.—Heart-cherries are not extensively grown. The ripe fruit is eaten either raw or sterilised. Black cherries are grown on almost every farm and are mostly eaten raw ; some are used in making syrups, fruit juices, wines, or liqueurs, and they are sometimes dried.

Nuts are usually eaten in their natural state ; confectioners and chocolate manufacturers also use them to a certain extent. They sometimes serve as a substitute for almonds, which have to be imported from abroad.

Berries.—Strawberries, raspberries, wild blackberries, blackcurrants and gooseberries are eaten raw, or cooked in various forms, either whole or as juice, and are also used in making wines and liqueurs. Whortleberries and cranberries are popular. Cranberries are sold in the town and country markets at every season ; their low price brings them within everybody's reach, and they are often the only berry that the less well-to-do can afford. They are used to make soups, drinks, sauces for sweets, creams, jellies, ices, etc. The custom of eating them raw with sugar has recently been introduced. Whortleberries are eaten exclusively as a jam in season.

Coffee imported from overseas is little drunk, and only by the well-to-do ; the rest of the population makes " coffee " with various roasted cereals. Local factories produce a great deal of " coffee " in packets ; this does not contain a single grain of real coffee. Roasted, burnt, and ground chicory is often used as a substitute for coffee ; every farmer's wife in the country has her own recipe for making " coffee " from a mixture of roasted peas, rye and barley.

The farmer and his labourers eat the same meals (if the farmer provides for their board), and exceptions to this rule are extremely rare. In many districts in the provinces of Vidzeme and Latgale, the farmer eats at the same table as his labourers, while in other districts the farmer and labourers eat at separate tables, but partake of the same meal.

XV. THE ECONOMIC STRUCTURE OF RURAL LIFE

The geographical position of an agricultural undertaking exerts a great influence on those who live by it, and on their character and welfare. Apart from the beauty of the countryside, the æsthetic value of which is variously appreciated, not only by each nation, but also by each individual, economic factors such as soil, water supply and the configuration of the land are of great importance. Not only natural factors or those closely depending upon nature, but also others, due to man—such as improvements to the land and to the water supply—play a great part in country life, though their influence should not be exaggerated. One of the most important of these factors is that of roads and means of communication. If the country-dweller has good roads at his disposal, he will feel less keenly his isolation from the centres of culture or administration, and he will be satisfied if he can reach them quickly and conveniently—a point of especial importance in connection with market-towns. For a long while, the problem of roads and communications was not solved in a manner calculated to meet the requirements of country-dwellers. Before the war, this question was in the hands of the central authorities of Russia, a country notorious for its bad roads and backward methods of communication. The roads crossing present-day Latvia may be favourably compared with those of the former Russian Empire, although they cannot stand comparison with those of Western Europe.

MAIN AND SECONDARY ROADS

Latvia inherited a system of roads in a very bad state of repair and often completely destroyed by military operations in the war. During the first years of independence, the roads offered an insoluble problem in rural districts. In 1914, the present territory of Latvia had only 620 kilometres of secondary and 180 kilometres of surfaced roads, or 800 kilometres in all; in 1938, it had 1,500 kilometres of secondary and 274 kilometres of surfaced roads, a total of 1,774 kilometres.

The law provides for four types of road :

Class I : secondary, surfaced or metalled roads, maintained by the State Treasury ;

Class II : metalled local roads maintained by contributions in kind, frequently with assistance from the State ;

Class III : roads serving a number of farms, maintained by the agriculturists' contributions in kind ;

Class IV : roads serving one or more farms, maintained by the owners.

In 1938, apart from secondary roads and surfaced roads, there were :

9,217 kilometres of first-class metalled roads ;
 6,804 kilometres of second-class metalled roads ;
 16,717 kilometres of third-class metalled roads ;
 Total, 32,738 kilometres.

The State maintains 10,991 kilometres, the remainder being kept in repair by contributions in kind. By law, the State takes over 500 kilometres of roadway every year, so that the length of the roads maintained by contributions in kind gradually diminishes.

The increase in the number of good roads has encouraged motor traffic. In 1937, there were 78 motor-omnibus lines in rural districts, of an aggregate length of 3,767 kilometres. The importance of this means of transport is shown by the steady increase in the number of passengers carried, which rose from 1,779,072 in 1935 to 2,570,205 in 1937. The number of motor-lorries used in connection with agriculture also increases every year.

RAILWAYS

The first railway lines were constructed in 1860, and the system continued to extend until 1912, when the Russian Government ceased to build railways in what is now the territory of Latvia. These lines, built to serve the former Russian Empire, were not always well adapted to local requirements. In 1913, the total length of track in the territory of Latvia was 1,941 kilometres. During the war, these lines were badly damaged, several of them being entirely destroyed by the retreating Russian troops; stations were burnt, and rolling-stock disappeared; so that in many cases complete reconstruction was necessary. In 1937/38, the length of track amounted to 3,349.7 kilometres, a figure exceeding that of 1913 by 72.6%. These lines called for considerable capital expenditure, but they have facilitated transport in rural areas and lowered its cost. To convey a ton of goods 10 kilometres by horse on a good road costs 10 lats, and to convey a passenger costs 1.50 lats; by rail, the operation is four or five times as cheap, quite apart from the greater speed. The development of the railway system has enabled crops to be raised which it was formerly impossible to cultivate, owing to the expensive and slow methods of transport.

When the two railway lines now being built are finished, no place will be more than 20 kilometres from a station.

The policy of the railway management in regard to freight charges is favourable to agriculture. The present tariff provides for twenty-one categories of goods, with rates fixed in centimes per 100 kg. These categories have been established in order to adjust the cost of transport to the value of the goods; the lowest tariff applies to raw materials, products intended for stock-raising, fertilisers, and building materials. With a view to encouraging more abundant harvests in outlying districts and the transportation of the resulting produce to the centres of consumption, freight charges are established on a differential scale, and a reduction in the normal tariff, amounting to 10% for the first category of goods and 30% for the twenty-first, is prescribed for distances exceeding 31 kilometres. This reduction amounts to 45% for the first category over a distance of 201 kilometres and to 75% over the same distance for the twenty-first category. Perishable goods are carried by passenger train at considerably reduced rates.

INLAND WATERWAYS

In the conveyance of goods, inland waterways play an important part, which increases from year to year. There are 4,469 kilometres of inland waterways available for boats and timber-floating; 446 kilometres of these are navigable by larger craft.

These waterways are used chiefly for floating timber, several thousand rafts entering the country by the Daugava from the Union of Soviet Socialist Republics and Poland. The Lielupe holds the first place among the waterways in regard to the quantity of goods transported, the total length of waterways in its basin amounting to 722 kilometres, and its navigable length to 104 kilometres. The Lielupe forms the natural channel of communication for the rich province of Zemgale and for the brick-making industry, which has its chief undertakings situated along the banks of the river. Since the introduction of the sugar-beet industry, this channel of communication has become still more important, offering facilities for the cheap transport of sugar-beet grown in the fertile plains of Zemgale to the sugar-refinery at Jelgava. The chief waterway in the province of Vidzeme is the Gauja, which is used chiefly for floating timber; in the province of Kurzeme, this takes place on the Veñta. Waterways have only recently begun to be made serviceable for purposes of transport, but dredging has already been started at many points. The following figures show the extent to which goods are transported by inland waterways: in 1936, 1,309,364 tons were transported by floating, 86,102 tons

of which came from abroad, while in 1937 the corresponding figures were 1,756,233 tons and 35,102 tons.

POST, TELEGRAPH, TELEPHONE AND WIRELESS

The postal, telegraph, telephone and wireless services are in operation on an extensive scale in rural areas. Taking the number of post-offices in 1934, Latvia had fourth place amongst the States, with one post-office to every 1,335 people; the telegraph offices, of which there are 1 to every 1,600 people, are sufficient for current needs. The situation is still better in regard to telephones, for there is one telephone to every 29.9 people, whereas in France there is only one telephone to every 30, and in Czecho-Slovakia one to every 80.9. In 1935, there were thirty-six wireless sets per 1,000 people, a higher figure than in many European countries; and the number of sets in rural areas has doubled during the past three years. These means of communication are widespread throughout the country, a telephone and a wireless set being common amenities on farms.

IMPROVING THE SURROUNDINGS OF FARMS

As the farmers live on scattered farms and not in villages, the improvement of each individual farm is of especial importance. Since the absence of villages deprives the farmer of the society of his fellows, the latter's place must be taken by a keener interest in the home. The beauty of his farm also serves to bind the farmer more closely to the soil. The Government therefore carries on a campaign for the plantation of gardens and avenues, for the erection of buildings of more pleasing architectural style and for the painting of the outer walls of houses and other premises. The young agriculturists' associations take an active part in carrying out these ideas: every year, in the so-called "cleaning weeks", a campaign is carried on in favour of cleaner and smarter farms. During the "forestry days", organised under the patronage of the President of the State and often officially inaugurated by him, school-children, members of the above organisations, and officials plant trees around places of historical interest and take practical steps to reafforest the land.

ELECTRIFICATION IN RURAL AREAS

Hitherto, electricity has been used only rarely in rural areas, and then only for lighting. This is partly due to the lack of electrical power-stations. Those in the towns were mostly built to meet the requirements of town-dwellers only, and have not the capacity to supply the rural areas. In 1935, the Government began to build a hydro-electric station on the

Daugava ; this is to be completed in 1939, and will supply 70,000 kw. to parts of the provinces of Zemgale and Vidzeme. It is proposed shortly to build a large heating station, to be run on peat, of which the country possesses a great quantity. Electric power will be used chiefly for lighting, pumping water and other farm proposes.

PUBLIC ORGANISATIONS AND MEETINGS

Latvia is a country of scattered farms situated from half a kilometre to 2 or 3 kilometres apart, and villages are rare. Their absence has determined the nature of the farmer's relations with his neighbours, which, although friendly, are



Harvest Festival in 1937 at Jelgava.

lacking in the collective element characteristic of rural life in villages. The agricultural societies and the organisation of the Civic Guard (*aizsargi*) try to make good this deficiency. The agricultural societies have recently become the centres of public life in rural areas, and to them falls the choice of candidates for appointment as members of the Chamber of Agriculture. Their influence is great, since they include both the owners of agricultural undertakings and agricultural labourers, thus comprising all the inhabitants of the countryside. This form was given to them after the establishment of the authoritarian regime in May 1934. A happy solution was thus

found for the problem presented by the numerous agricultural organisations, often the tools of various political parties, which had previously carried on similar activities in mutual rivalry, and had spread ill-feeling amongst the people. The agricultural societies have now become non-political organisations and are the expression of a united people and Government.

Each commune has only one agricultural society. The Chamber of Agriculture is responsible for co-ordinating the activities of these societies, which thus work under the guidance of the Chamber on lines prescribed by it. They arrange for a large number of special courses and demonstrations, which afford further proof of their activity.

Whilst these societies have a more or less material purpose, the Civic Guard is organised on military and patriotic lines, and the young agriculturists' organisations are intended both to spread special knowledge regarding agriculture and to encourage sport and culture.

PUBLIC LIBRARIES—LEISURE

The number of public libraries maintained by the Government, municipalities, public organisations and private persons has increased in a remarkable way. In 1918, there were only 192 public libraries, whereas there are now 911, 604 of which are in rural areas, making one library to every 2,076 country-dwellers.

Since the liquidation of political parties, great popular meetings have been organised for discussion between agriculturists and agricultural labourers regarding the work already performed, and for an exchange of views on future plans. The agriculturists' and labourers' festivals have become very popular, and thousands take part in them, thus symbolising the union between people, Government, and State. The harvest festival organised by the Chamber of Agriculture has become the most popular of all, and attracts town-dwellers as well as those in the country. The first of these festivals was held in the province of Vidzeme in 1935, with 140,000 participants; the second, in the province of Latgale, with 150,000 participants; and the third, in the province of Zemgale, with 200,000 participants, who heard a speech by President Ulmānis on his programme of measures for increasing the harvest. During these festivals, a patriotic play is produced, and prizes are distributed amongst the labourers for their zeal, and amongst the farmers for improvements effected on their farms. The President personally distributes the first prizes.

Mixed choirs are very popular. During the centuries of serfdom, singing afforded a refuge for the dreams of the people, and this partly explains the wealth of native folklore. The songs

were sung either solo or in choirs; later, choirs were organised in rural areas, which met every five years for a great singing festival; in 1938, 16,000 singers performed before 200,000 people. When the Letts had no political liberty, such festivals helped to preserve their sense of racial independence under a foreign domination which placed obstacles in the way of all national aspirations for social and political freedom. Persecution and oppression failed to arrest the singing, which helped the Lettish people to retain their feeling of homogeneity and race consciousness through the centuries, and inspired them in the struggle for independence.

THE FARM AND FARM BUILDINGS

The Lettish farmer prefers to erect separate buildings, each with its peculiar purpose, a practice which has also been followed in the new farms established by the agrarian reform. A typical farm consists of the farmer's dwelling, the loft, the cowshed, the barn drying-room (characteristic of the countries of Northern Europe), the storeroom, the shed for fodder, and a building for the steam-bath, which is hardly ever lacking in a well-equipped farm. In recent years, the necessity for economy has often obliged farmers to include the cowshed and the shed for fodder, or the cellar and the barn, under a single roof; but this is very rarely the case with the dwelling and the outbuildings. The construction of the roof depends upon the materials used—whether boarding, tiles or artificial slate, the most common pitch being 45°. For some time past, the Government has been offering subsidies to encourage the erection of buildings of non-inflammable materials, which farmers have thus tended to use more extensively in their new buildings.

As a general rule, the houses have only one story, but, for reasons of economy, the Government has recommended that the loft space should also be used, and in recent buildings this is employed as an attic. Agricultural labourers used formerly to have no separate lodgings, nor were houses built for their use. This situation has changed since 1936, and farmers now try to use the ample subsidies granted to them by the Government for the erection of separate houses for agricultural labourers.

A radical building reform was introduced by the new law, which laid down regulation distances to be maintained between the various farm buildings, besides specifying their sites and the materials to be used. With a view to encouraging the erection of buildings of non-inflammable materials, the Government makes special prices for farmers who build in accordance with plans passed by it.

The building of houses for agricultural labourers is subsidised from a special fund controlled by the Ministry of Agriculture.

Fodder is stored at one end of the cowshed, or at some distance from it; only newly built cowsheds have a loft for storing fodder. Water-pipes and other improvements are being put in by farmers, in accordance with the recommendations of the authorities.

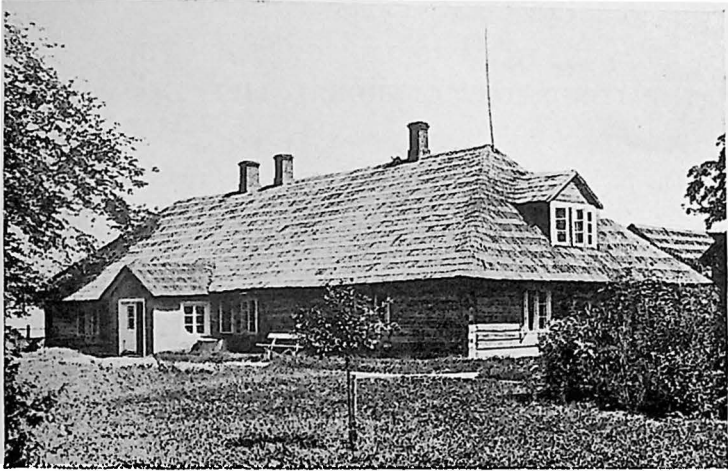
Corn is stored in barns before threshing. These barns, which are found on almost all farms of over 10 hectares, generally have vertical joists covered with boarding. They stand at a distance of about 25 metres, to lessen the risk of fire. In districts where flax is extensively grown, especially in the province of Latgale, barn drying-rooms are also used for storage, unless there is a separate lean-to for corn.

From time immemorial, the storehouse has been regarded as a decorative building which no farm should be without. It was formerly the custom to keep in it almost everything that was not immediately required—clothes, linen, farmers' cloaks, etc. Nowadays, it serves only for storing grain. The old storehouses, built with horizontal beams, have preserved the chief characteristics of ancient Lettish architecture; they always consist of a fairly large hall, surrounded by posts of a special shape, and having doors frequently decorated with wrought iron. The modern storehouses are built of non-inflammable materials, but the architectural characteristics of the older style sometimes persist in them.

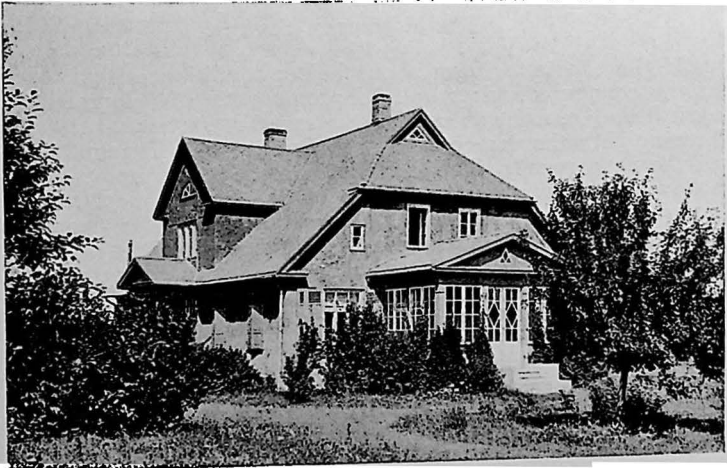
The separate building which houses the steam-bath, a characteristic feature of the countries of North-Eastern Europe, is built of horizontal beams, close to the water supply, or at a distance of about 25 metres from the other buildings, on account of the risk of fire. Modern building standards require the use of non-inflammable materials, and the construction of a separate room for clothes and another for washing, together with couches and a special stove; this is heated and water is then thrown on it, to fill the room with steam.

The larger farms have pig-sties, chicken-runs, ovens for drying corn, cellars, etc.

Before the agrarian reform, the farms of Latvia contained 691,753 buildings, of which 594,008 were of wood, 70,426 of brick or stone, and 27,319 of mixed construction. Between 1920 and 1937, there were erected on farms 440,923 new buildings, of which 384,051 were of wood, 37,720 of brick or stone, and 19,152 of mixed construction, their total cost amounting to 730,133,509 lats.



Old peasant dwelling in Vidzeme dating from c. 1860.



Typical peasant house in Zemgale.

XVI. THE PROBLEM OF IMPROVING THE CONDITIONS OF RURAL LIFE IN LATVIA

The problem of improving the conditions of rural life in all its aspects is under permanent and close consideration, from which it would appear that, at the present time, the following factors are of outstanding importance.

I. INCREASE OF THE INCOME OF THE RURAL POPULATION

Experience shows that an increase in the income of agricultural undertakings has the effect, not only of increasing the well-being of their owners, but also of improving conditions for the employees. The improvement of the conditions of rural life therefore calls, in the first place, for an effort to increase the output of agricultural undertakings, and thereby to enhance the material well-being of all sections of the rural population. To that end, the Government has set itself the task of devising proper means to increase agricultural production by 50%.

2. THE AGRARIAN SYSTEM

If the efforts to bring about better conditions of existence in the country districts and to promote the development of agriculture are to be successful, the agrarian system must be in keeping with the demographic, economic, and other conditions of the country. In Latvia, which in the years immediately following the war was the scene of one of the most radical agrarian reforms Europe has ever witnessed, the far-reaching influence of the changes then made is perceptible in every branch of rural life. The example of Latvia has proved, in the first place, that through agrarian reform many more people can be kept on the land than under the system of big landed estates.

In the second place, it has proved that the system of small agricultural undertakings requires relatively more labour than the operation of more extensive undertakings, owing to the difficulties which, in the former, stand in the way of the rational use of man-power, a certain percentage of this being wasted from the point of view of production. The creation of more small undertakings is not, therefore, to be recommended in areas with a scattered population and a shortage of labour.

As the rate of agricultural development is largely governed by the agrarian system, agricultural progress in Latvia has been much more rapid since the reforms. It has also been observed that, during the same period, productive capacity has progressed at different rates in undertakings of different sizes.

3. GUARANTEE OF EMPLOYMENT FOR THE POPULATION AND RATIONAL USE OF LABOUR

The improvement of conditions of existence in rural districts presupposes the assurance of employment to the rural population and the rational use of labour. The fulfilment of these conditions is frequently impeded by a variety of difficulties, the proper way of solving which has not yet been entirely established either in theory or in practice.

Side by side with large, medium, or small undertakings, there are, in all European countries, a fairly large number of holdings of such small extent that they cannot in themselves provide full employment for their owners and the members of their families, even though they are worked much more intensively than undertakings of greater area. This circumstance is a serious hindrance to the improvement of the standard of living of the small-holders, and is to the detriment of the entire nation. The remedy is to attempt to use such reserves of labour in various ways, the most obvious of which would be their employment in such neighbouring undertakings of greater extent as require additional help. The sharing of labour on these lines between the larger and smaller undertakings is quite frequent, though it cannot be claimed that the problem has been thereby entirely disposed of. The smaller undertakings still support more able-bodied people than they can effectively occupy, whereas the larger undertakings could provide work for many more persons than they in fact employ. For some years past, the distribution of reserves of labour among the small undertakings which have too much and the large undertakings which have too little has been a subject of discussion and of a propaganda which has already produced important results. In addition, however, to the distribution of labour among undertakings of different type—that is, vertically—there is also a need for more satisfactory distribution of labour among the different provinces—that is, horizontally.

Of the four provinces, Latgale has a considerable surplus of labour, while two others—Kurzeme and Zemgale, which were the most severely affected by the war—suffer from a considerable shortage of labour and are obliged to import agricultural workers from abroad. Suitable propaganda and organisation have made it possible to direct the surplus labour

to the provinces where it is needed. In 1931, for example, 13,000 agricultural workers, and in 1937 23,000, left Latgale for other parts of the country.

By transferring reserve labour from the small to the bigger undertakings and from the overpopulated to the underpopulated parts of the country, an attempt is being made to bring about a state of things in which the whole of the available labour will be rationally used.

4. SPECIAL KNOWLEDGE

Emphasis must be laid upon the great importance of special knowledge in agriculture. The enquiries have, indeed, brought out the diversity of the results obtained, as regards increasing agricultural production, by farmers working under exactly the same economic and natural conditions.

While the yield of some undertakings is very high, the productive capacity of many others has lagged behind. To raise the production of the latter to the level of the most efficient undertakings is one of the chief tasks of agrarian policy.

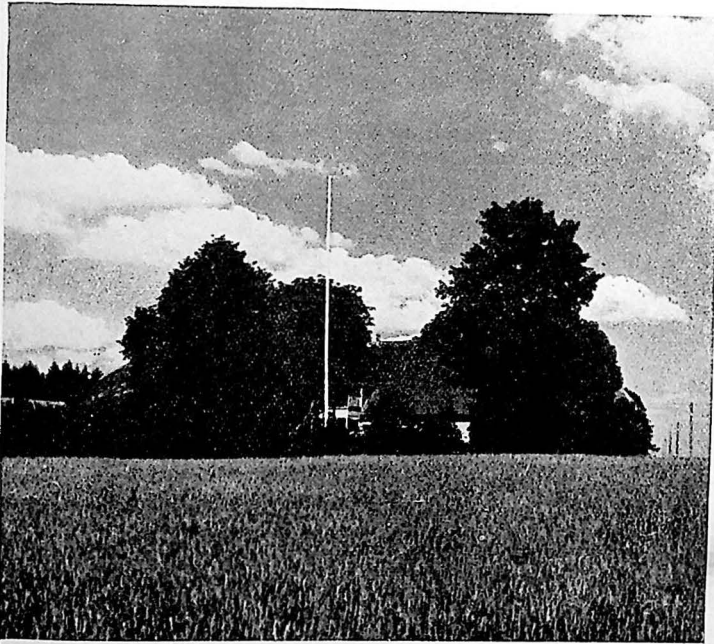
5. IMPROVEMENT OF THE WORKING CONDITIONS OF WOMEN IN RURAL AREAS

One of the many tasks that the various agricultural development organisations have set themselves, and one to which they attach quite special importance, is to improve working conditions for women in rural areas. So hard, indeed, are the conditions of women agricultural workers, that they may have very serious effects on the life of the entire nation. Such is the explanation of the migration of young women to the towns, which leads to a shortage of female labour in the country and, at the same time, to a reduction of women's wages in the towns. This lowers the standard of living of unmarried women workers in the towns and is a grave danger to the morale of those unable to obtain financial help from their families.

Nevertheless, the general development of economic activity has considerably improved working conditions in the towns; and the demand for labour, both male and female, is still increasing, a circumstance which has the effect of improving conditions of existence for women workers who have come to the towns from the country. But this development, though in many ways reassuring, may at the same time cause some concern, as it is likely to stimulate migration to the towns still further, and thus cause the depopulation of the countryside.

CONCLUSION

This brief survey of rural life and current working conditions is intended chiefly to throw light upon present-day problems, besides providing a retrospective glimpse of the obstacles which Latvian agriculture has had to overcome in the course of its progress. The complete change that has been achieved in the agrarian and social conditions of Latvia would seem clear evidence that social peace is impossible without the reign of



justice in social relations; and that, in turn, can be achieved only through great and far-reaching reforms. The new rural policy in Latvia has for its principal goal the welfare of the people, but it should not be regarded as directed exclusively to material ends, since all the branches of human activity come within its scope. The numerous public and private buildings which have been erected, the new roads built to lessen the effects of distance, whether great or small, would be of little moment were it not for the presence of that creative

spirit which acts as an inspiration to man and enables him to subdue matter for the benefit of the community, and hence of the country as a whole.

The farmers' interests and aspirations do not come to an end with the harvesting of his crops and with the profit he hopes to obtain from them. The whole people have adopted the principle laid down by their President, that man is himself the supreme goal of every endeavour, and that mind is supreme over matter. This principle has become the rule that governs and directs their progress.
