



# Social Aspects of Agrarian Reform in Latvia<sup>1</sup>

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With the kind assistance of the Latvian Government a member of the Agricultural Service of the International Labour Office, Mr. v. Bülow, was able during August 1928 to visit Latvia and to study the carrying out of agrarian reform. The present article summarises the information which he was able to collect, together with his observations and comments. The carrying out of agrarian reform is now largely completed. Really large-scale farming has been wholly abolished, and the number of small farms has been more than trebled; the original aim of having no farms too small to support a family has been largely fulfilled; simultaneously the common-land system, where it still persisted with all its technical disadvantages, is in process of being broken up. Legal measures have been taken to ensure the continuance of the present system, namely, to prevent the laying together of estates to form too large a total, or the splitting up of farms into too small parcels.

A final section of the article examines the position of wage-paid agricultural workers in connection with agrarian reform; this position is found at the moment to be rather good, as there is at present no surplus of rural labour and consequently no agricultural unemployment.

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## <sup>1</sup> PRINCIPAL SOURCES :

- The Agrarian Reform Acts and other relevant legislation.  
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## GENERAL LAND CONDITIONS PRECEDING THE REFORM

**T**HE agrarian history of the present territory of the Latvian State is long and complicated and not the same for different provinces : Livonia, Courland, and Latgale. It will be sufficient to indicate that the kernel of this history has been the struggle between the Baltic nobility, mostly of foreign origin, and the peasants, mostly Letts. In the beginning of the nineteenth century, under the Russian Government, the serfdom of the peasants was abolished, but at the same time the old division of land into demesne land and peasants' land was interfered with and the lords of manors<sup>1</sup>—the nobility—got full right to do with their peasants' land what they liked. Only a few peasants were freeholders ; the larger number of them were tenants on the manors ; hitherto they had had the hereditary right to hold their land in tenancy. This right was now taken away, and the consequence was an enlargement of the area cultivated directly by the lords of manors and an increase in the number of the landless rural population. In the middle of the nineteenth century various legislative measures were passed which again drew a distinction between demesne land and peasants' land, forbidding the direct cultivation of peasants' land by the lord of the manor. In the second half of the century a rapid liquidation of the peasant land situation went on. The lords of manors were rather eager to sell their peasant land. In Courland, where until 1863 no peasant was entitled to hold real estate, by 1910 99 per cent. of the peasant land had been transferred to peasant buyers ; in Livonia the percentage was 89.9. Over the same period the Russian Government, in conformity with its agrarian policy elsewhere in the Empire, sold most of the Crown land to new smallholders ; the remaining Crown land was mostly forest. When the world war broke out the Latvian peasantry had exhausted their opportunities of obtaining land of their own. Land could now only be obtained from lords of manors, who were unwilling to sell land belonging to the manorial estates.

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<sup>1</sup> In this article the term "manor" is adopted to designate the whole complex of land originally held by the lord or noble, and "manorial estate" to designate the modern large estate (the original "demesne"), supposed to be cultivated by the lord of the manor directly, but including, in fact, a certain number of tenancies. "Peasant land" covers any land either held by peasants in freehold or to which they have established rights of tenancy ; a portion of peasant land is therefore within the original manor.

In 1920, 10 per cent. of the present territory of Latvia, which is 6,267,400 hectares, belonged to the State; 48 per cent., or more than 3,000,000 hectares, to the manorial estates, to which were still attached up to the time of the reform certain privileges, such as patronage rights, hunting rights, and rights to run distilleries and breweries; 39.4 per cent., or 2,467,000 hectares, to peasant farmers; and the rest was Church land, town land, etc.

The manorial estates numbered 1,300 and were very large. On an average a Latvian manorial estate covered 2,200 hectares; in Russia the average size was only 620 hectares. It was not easy to run such big properties in an economic way, and the technical standing of Latvian agriculture was considerably lower than in central Europe. Economic conditions were not favourable to agriculture, especially not to grain growing, as Russian railway tariff policy favoured the central districts of the Empire. The consequence was a tendency to more extensive cultivation. Arable land was afforested and the management of the estates was decentralised. A portion of the estate was administered as a central unit, but subsidiary centres were created, either for special purposes or in order to be rented practically as separate farms to share-tenants or tenants proper, or given to farm workers as part of their remuneration. In Livonia more than half the arable land of manors was alienated in tenancy or cultivated by agricultural workers as part of their remuneration.

Against these 1,300 manorial estates on the one hand stood 142,000 peasant holdings on the other. The distribution of these farms, which included, besides peasant freeholds, 15,000 tenant farms on the peasant land attached to the manors, is shown below; half the tenant farms were situated in Livonia.

DISTRIBUTION OF FARMS BY SIZE BEFORE THE REFORM

Size of farms	Number	Percentage	Total area	Percentage
Hectares			Hectares	
Up to 2	21,265	15.00	20,272	0.4
2 - 10	53,165	37.51	340,307	6.6
10 - 20	18,603	13.13	304,183	6.0
20 - 100	45,251	31.93	2,260,168	44.0
Over 100	3,439	2.43	2,204,239	43.0
Total	141,723	100.00	5,129,169	100.0

The peasant farms in Livonia and Courland were comparatively large, the average size being 30 to 40 hectares ; in Latgale, however, it was only 8 to 9 hectares. The reason for this marked difference in size is historical. The province of Latgale was much more under the influence of Russian agrarian conditions than the other parts of Latvia. In Latgale, the *mir* system obtained : only one third of all farms were separated ; 49,500 farms consisted of common land. The owners of this common land lived in villages, while elsewhere in Latvia the isolated farm preponderated and villages were practically unknown as places of residence for farmers. However, besides the 15,000 very small farms in Latgale, there were many holdings in other parts of Latvia which were also too small to support a family.

In addition to the peasant population of one million it was estimated that about half a million landless persons lived in the country. There was not perhaps so much the difficulty of finding a living—the big estates were clearly suffering from a shortage of labour—as the difficulty of obtaining holdings of their own, and this was the origin of the land hunger which resulted in the agrarian reform.

This is not the place to examine the whole complex of reasons for that reform. It is sufficient to point out that, although the political and social events following the war, especially in Russia, were of great importance, they were not the only reasons, nor even the main ones, that led up to it. A whole series of forces due to economic and social difficulties, or arising out of national and historical divergencies between the inhabitants of the present Latvian State, were at work for many years before the war, and, under the influence of revolutionary events in the neighbouring country, resulted in an agrarian reform which has radically changed the structure of agriculture in Latvia.

#### AGRARIAN REFORM LEGISLATION

During the war and the years of the Russian revolutions which followed, Latvia was more or less one big battlefield. Agriculture naturally suffered greatly ; the soil was neglected and improvements not undertaken ; livestock and farm buildings were destroyed. In 1920 only two-thirds of the pre-war area was under cultivation, and 10 per cent. of all farms had been devastated. In the environs of Riga 40 per cent. of buildings were completely destroyed and 20 per cent. damaged ; in the

province of Zemgale, the "granary of Latvia", the percentages were respectively 28 and 27. Many large estates were abandoned by their owners, partly for this reason, partly because the owners had been engaged in a revolutionary counter-campaign against the new State. All these abandoned estates were immediately taken under public administration, to the number of 629, and 16 glebe land holdings with a total area of 800,000 hectares. These estates were expropriated when the First Part of the Agrarian Reform Acts was passed on 16 September 1920.

This Act instituted a State Land Fund, which consists (1) of lands, estates, and forests belonging to the State, and (2) by means of expropriation, of land hitherto owned as manorial estates or by towns, churches, former Russian peasant agrarian banks, or private persons, while excepting from expropriation any peasant lands separated from manorial estates and owned by peasants of Latvian nationality either individually or, as in Latgale, in village commonage.

Exempted from expropriation was, however, for each manorial estate, an area corresponding to the average size of a peasant holding. This area did not need, according to the Act, to be attached to the main management centre of the estate; it was later fixed at an area of 50 hectares, with a margin of 10 hectares each way. Expropriation further did not touch churchyards and holdings on which churches and monasteries were constructed, land belonging to social and scientific institutions, so far as such land served to meet real needs, land belonging to towns, communes, districts, and villages, but on the condition that peasant land in tenancy still owned by these authorities was handed over to the tenants in the course of a year on the same conditions as were to be applied to peasant lands belonging to manorial estates. Further, holdings founded on manorial lands but not legally making up a portion of a manorial estate and acquired by a Latvian citizen before 23 April 1915 (old style) — if acquired later special permission for exemption had to be obtained from the Government — were exempted from expropriation as long as their area did not exceed 100 hectares; if it exceeded 100 hectares, the surplus was expropriated. Where an owner had several holdings which together made up more than 100 hectares, he was only entitled to keep one of these, and that the one allotted to him by the Government. The owner of a manorial estate could not retain both land from his estate and also a holding of the category just described.

In Latgale there were practically no manorial estates, but large holdings had been formed belonging to what are now Polish and Russian minorities. A Government Decree, later ratified by Parliament, stated that all such holdings exceeding 230 hectares in some districts and 278.5 hectares in others were to be considered as manorial estates and were consequently subject to expropriation.

Together with the land, all attached undertakings were expropriated; only manufacturing undertakings of a certain importance, i.e. not working up local agricultural products or producing for local needs, were considered not to be part of landed estates and were exempt from expropriation. The live and dead stock of estates was also expropriated, except what was needed by those former owners who continued farming. A list of stock taken in 1920 showed, however, that on the estates only 5 per cent. of the pre-war stock still existed.

This legislation has utterly abolished all ownership of large estates in Latvia. Those of the former owners who have continued farming are not even now to be classed with the big peasants, except perhaps in cases where they have remained in possession of a holding of land up to 100 hectares. On the other hand, all land owned by peasants themselves was left untouched, whether it was historically and legally peasant land or manorial land, in the latter case with the sole reservation that the area of the farm must not exceed 100 hectares.<sup>1</sup> We shall see below that other land under peasant farming was also treated in an exceptional way by the law and left untouched.

The Act of 16 September 1920 laid down that compensation for expropriated live and dead stock should be at local market prices; the compensation for land and buildings was to be fixed by a special Act. After violent struggles an Act was passed on 30 April 1924 which, however, stipulated that no compensation was to be paid at all.

The Second Part of the Reform Acts<sup>2</sup> was passed on 21 December 1920, and deals with the use to be made of the State Land Fund. In principle, the first section of the First Part of the Reform Acts had already laid down that out of the State

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<sup>1</sup> This rule is at the same time one of the few rules which has been of advantage to some former owners of manorial estates and of disadvantage to some peasants.

<sup>2</sup> The Fourth Part of the Reform Acts (which preceded the Second and Third Parts) was passed on 17 September 1920, and deals with the executive organs for the reform.

Land Fund new holdings should be created and existing smallholdings should be enlarged, while the requirements of various undertakings, of social welfare institutions, of education, and of the extension of towns and other urban areas, should be met therefrom.

The Second Part states that every Latvian citizen who has no land or owns less than 22 hectares of agricultural land, and who undertakes to cultivate such land, can obtain land from the State Land Fund. The detailed rules as to the order in which claims for land shall be satisfied, and to what extent, are found partly in the Act, partly in Regulations and administrative practice.<sup>1</sup>

All forest land, waters, and waste land remain the property of the State. The State can also retain the land it requires for cultural purposes. Land can be given to private institutions for educational and social welfare purposes to the extent approved by the Central Committee after examination of the projected use to be made of such land. Towns and urban centres can obtain land for enlargement as well as for social purposes and various undertakings.

The demands of smallholders are to be satisfied before land is given to landless persons. Smallholdings of less than 15 hectares which run with State Land Fund areas can be enlarged up to the fixed maximum size of a new holding. If the smallholding does not run with any areas belonging to the Fund, the owner can get a new holding up to the maximum size if he hands his old holding over to the Fund, or in other ways puts it at the disposal of the Fund for the purpose of enlarging adjacent smallholdings. If there is not enough land available in his locality, he has the right to get land assigned in another part of Latvia. Long-standing tenants of holdings on land expropriated and divided up have also a right to have land allotted to them before the claims of landless persons are considered.

Landless persons can have new holdings allotted to them not exceeding 22 hectares of agricultural land. To each holding can, however, also be added 5 hectares of forest, waters, and waste

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<sup>1</sup> When land is given to smallholders or landless persons, preference is given to those who have served in the Latvian army or who are relatives of fallen soldiers. Preference is also given to persons from the locality. The administrative rule has been issued that land is given only to persons between 18 and 65 years of age, who undertake to cultivate the land allotted (not necessarily themselves) and either own or can prove their ability to obtain the absolutely necessary equipment for cultivation; this minimum does not, for example, include a horse.

land (but not more than 3 hectares of forest only). This size was fixed because practical experience has shown that in Latvia an agricultural undertaking with two horses and 15-22 hectares of arable land is capable of existing. In Latgale, where the one-horse system is the rule, the typical smallholding is even smaller, but no special limit was fixed for this province. Persons whose principal occupation is not agriculture may obtain land in the neighbourhood of towns up to 1 hectare or in the countryside up to 2 hectares (horticultural land, artisans' plots, industrial land).

The creation of larger holdings has been allowed at the management centres of the old estates. The Reform Acts have also laid down that tenant farms on peasant lands are not to be divided up at all ; further, that the first 100 hectares of tenant farms on manorial estates shall be left untouched if such farms have the character of a peasant holding in the locality. Tenants who have invested capital and labour on their farms have a first right to have their holdings assigned to them ; only if they do not make use of this right, or if several tenants insist that they have a right to the same holding, can a division take place.<sup>1</sup> In fact, it is part of the policy of the Reform Acts to disturb the existing peasant class as little as possible.

Hidden, so to speak, in the Second Part of the Agrarian Reform Acts are some important rules which in themselves form an agrarian reform of the widest bearing. These rules deal with the reconsolidation of fragmented holdings and are of special importance in the province of Latgale, where reconsolidation has become the main object of agrarian reform. Fragmented smallholdings which are enlarged by additional areas from the State Land Fund must at the same time be reconsolidated. Holdings which are not expropriated can obtain up to 1 hectare of land from the Fund for the purpose of rounding off their borders. For the same purpose, and for abolishing fragmented plots or diminishing their number, land from the Fund can be exchanged against unexpropriated land, or up to 10 hectares of land can be expropriated from tenant farms otherwise left undivided.

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<sup>1</sup> The dividing up of tenant farms seems to have been rather frequent, at least in districts where the demand for land has been great. Statistics are not to hand, but the author happened to visit two new holders who had both been former tenants. One now holds a new holding, the other is in possession of the remaining centre of his old tenant farm which had been divided up ; in both cases the men now farmed a much smaller area than before the reform. Apart from the fact that they had become owners instead of tenants, their position was less favourable.

The Third Part of the Agrarian Reform Acts was not adopted until 3 May 1922. It was passed in order to confirm the land tenure system created by the reform. In future it is forbidden to unite, in a single hand, more than 50 hectares of land, while, in each case of uniting plots amounting to a total of between 22 and 50 hectares, the consent of the Government has to be obtained, and can only be given where such plots have common borders. On the other hand, it is as a rule not permitted to divide land up into lots of less than 10 hectares. Persons owning several agricultural holdings on the date of the coming into force of this part of the legislation were obliged to liquidate them within three years. They were only entitled to retain one holding without regard to size, or several holdings or parts of holdings up to a total of 50 hectares. The same rule applies to a person who in the future, through inheritance, comes into possession of several holdings making up more than 50 hectares of land together.

An Act of 31 March 1923 gives rules for the entering of all holdings in a Land Register, the so-called "corroboration", before which process has taken place no sale of land or mortgage can be entered in the sales and mortgage registers. As, however, this "corroboration" necessarily takes a long time, an Act of 26 March 1923 allowed the sale of plots assigned but not yet registered, on condition that the permission of the Central Land Committee was obtained in each case.

An Act of 23 April 1923 laid down rules for the future legal status of the new holdings. They were to be assigned either as private property, or on special demand as heritable leasehold, that is to say, the holders would become permanent tenants of the State. The latter rule was a concession to the Socialist Party, which had desired to retain the land of the State Land Fund as State property. However, no persons have hitherto made use of this rule. The same Act fixed the purchase price at an average of 10 lats per hectare, to vary according to the condition of the land assigned, but not to exceed 20 lats per hectare. Buildings were to be valued separately, and also forests if their area exceeded 3 hectares.

#### THE CARRYING OUT OF THE REFORM

When the first part of the agrarian reform legislation was passed the State was already in possession of half the estates declared subject to expropriation. Other estates which were

badly cultivated were immediately taken over. The dividing up of the land into holdings was done independently of allotment or of applications for land. "Corroboration" and valuation work could only be started after the passing of the Acts of 31 March and 23 April 1923, and therefore could not take place simultaneously with allotment. To-day most of the land is divided up, but valuation work has not been completed for more than four-fifths of the new holdings and "corroboration" work for only half this number. Many farmers who have been in occupation of new holdings for years do not yet know how much they will have to pay for their land. On the whole, however, the carrying out of agrarian reform is approaching its completion.

The total area handed over to the State Land Fund was 3,680,000 hectares ; of this 81 per cent. had been manorial estates, 17 per cent. was Crown land, and 2 per cent. glebe land ; further details are given in the table below. About 12,000 central farms and tenant farms deriving from them were expropriated. In 392 cases 100 hectares has been left to the former owners, in 857 cases only 50 hectares<sup>1</sup>, making altogether 85,000 hectares of land.

ORIGIN OF EXPROPRIATED AREAS

Kind of land	Private estates	Crown land	Glebe land	Total
	Hectares	Hectares	Hectares	Hectares
Arable land	1,409,501	188,782	56,456	1,654,739
Forests	1,128,446	362,374	6,063	1,496,883
Waste land	447,902	76,578	4,311	528,791
Total	2,985,849	627,734	66,830	3,680,413

In addition there were about 200,000 hectares of land conceded to Latvia by peace treaties and frontier adjustments ; this increased the total area available to about 3,900,000 hectares. About 2,200,000 hectares remained in the possession of the State as forest and waste land, while about 1,738,000 hectares were estimated to be suitable for distribution. Up to 1 January 1928,

<sup>1</sup> BOKALDERS, in *The Latvian Economist* (1928), p. 87. The various sources differ a little on this point.

1,490,600 hectares, or 86 per cent. of the land for disposal, had been assigned.<sup>1</sup>

In 1919 and 1920, when the first list of applicants for land were made out, 43,000 persons applied. In 1921, the number was already 100,000. The total number of applicants has been about 120,000, not all of whom, however, could be satisfied. Some do not fulfil the necessary conditions, but some are refused owing to lack of sufficient land.

The reform was carried out with special speed during the first years. On 1 January 1920 only 25 surveyors were at work, on 20 August 1921 361. In 1920 the work was handicapped not only by lack of surveyors but also by lack of the necessary instruments. Between 1919 and 1922 925,000 hectares of land were assigned, or nearly two-thirds of the total area distributed by 1 January 1928. In the following years activity slackened a little. The minimum was reached in 1925, when only 76,000 hectares were disposed of; but in 1927 the area dealt with increased again to 100,000 hectares. During the first years efforts were specially directed to the creation of new holdings; later, other aims became relatively more important. Of the existing 64,259 new holdings, 55,000 were created before 1925.

The main results of agrarian reform up to 1 January 1928 have been to form holdings as follows :

Kind of holding	Number	Total area (hectares)
New holdings	64,259	961,508
Old tenant farms	6,780	238,690
Units for other purposes	28,608	290,374
Total	99,647	1,490,567

The old tenant farms account for only one-fifteenth of the number of units allotted but for nearly one-sixth of the area; such farms have not been allocated in Latgale. In general, however, agrarian reform has affected the whole country equally, except that two-thirds of the old farms have been allotted in the

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<sup>1</sup> This figure and the following are taken from official sources, namely, the Statistical Year-Books for Latvia. But these figures can only be considered as preliminary and are constantly being revised. For example, the Year-Book for 1927 gives a total figure for assigned land about 100,000 hectares lower than the figure stated above, which is the sum of the figures given for each year in successive Year-Books. It has, however, been necessary to use the series of Year-Books and not the revised total contained in the last edition, as details are not given concerning this total. Satisfactory statistics are not available and could hardly be expected as yet. The published figures do not answer many of the questions which naturally arise, but there is sufficient information to show the main lines of the reform. Attention is again drawn to the peculiar situation in Latgale.

province of Livonia. This is in agreement with what was said above on the sale of peasant land before the war.

The new holdings created include holdings for special purposes, i.e. horticultural, artisans', and industrial holdings. Separate figures for these exist only for the period of the reform up to the end of December 1927. The total number of units for special purposes has been 10,300, totalling 48,000 hectares; of these, 3,630 units, totalling 11,700 hectares, were created during the period 1925-1927.

The item "other purposes" includes areas reserved by the State for social and educational advancement; areas left in the possession of their former owners; and 1,823 units totalling 11,615 hectares which represent cases of exchange of Fund land against private land. The most interesting figure is that of 12,816 units totalling 93,040 hectares intended for the enlargement of small holdings, both to individual owners and to villages holding land in commonship. Naturally, a high percentage of these cases fall in Latgale.

#### HOLDINGS FORMED UNDER AGRARIAN REFORM

Old tenant farms				New holdings <sup>1</sup>			
Size of farm	Number	Area		Size of holding	Number	Area	
		Total	Average			Total	Average
Hectares		Hectares	Hectares	Hectares		Hectares	Hectares
Below 22	1,891	27,602	15	Below 10	10,194	36,701	4
22-50	3,508	120,927	37	10-15	11,089	143,663	13
Over 50	1,381	90,161	65	15-22	32,232	595,471	18
				Over 22	7,131	173,952	27
Total	6,780	238,690	35	Total	60,646	949,787	15

<sup>1</sup> Holdings created for special purposes before 1 January 1925 are included, but not such holdings created after that date.

The table shows that most of the old farms are of considerable size, on an average 35 hectares. Two-thirds of the new holdings are between 15 and 22 hectares or even larger; in other words, they are of the area considered necessary for a Latvian farm if it is to exist as an independent undertaking. Fifteen hectares was the limit below which existing holdings were allowed to claim

enlargement ; one-third of the new holdings, however, are themselves of less than 15 hectares, but a considerable number of these are holdings created for special purposes. It is, of course, necessary to take the quality of the land into consideration in judging whether the size of holdings is adequate. Many holdings with more than 15 hectares of land consisting of light and poor soil may be too small ; while in Courland, for example, where the quality of the soil is good, independent farming is, in fact, possible on less than 15 hectares. In the environs of towns and along the main roads many holdings have been created which are too small to support a family ; it has been calculated that the owners will be able to supplement their income by casual work, such as road repairing. This, of course, is contrary to the real purpose of the agrarian reform, but in many districts the demand for land has been greater than the supply.

Up-to-date statistics of the persons benefiting from the reform exist only in a form which gives little more information than is, in fact, already contained in the figures on the distribution of land. The bulk of the landless rural population who have received land are either former soldiers from all parts of Latvia, or landless persons (agricultural workers) in the neighbourhood who had not done military service. Only a very few peasants coming from districts other than that in which the distribution was being made and in possession of stock and equipment have obtained land, especially during 1922 and 1923. During these same years a few persons without stock and equipment had some land allotted to them ; afterwards no such allotments were made.

More interesting information is found in the agricultural census of 1923, which gives the previous occupations of the new holders of land. Applying the 1923 percentages to the total number of new holders up to 1 January 1928 (64,259), we get the following table, in which the first two columns represent the 1923 census record, and the third the estimate so obtained for the distribution by previous occupations in 1928.

Previous occupation of new holders	1923 (Census)		1928 (Estimate)
	Number	Per cent.	Number
Tenants	16,827	46.76	30,047
Share-tenants	1,183	3.29	2,114
Agricultural workers	10,369	28.82	18,519
Total agricultural population	28,379	78.87	50,680
Artisans	3,004	8.35	5,365
Other occupations	4,598	12.78	8,214
Total	35,981	100.00	64,259

In Latgale, 1,494 villages, with a total area of 272,590 hectares of land, had been reconsolidated by 1 January 1928, and 26,162 separate holdings created ; most of these holdings were enlarged by additions of land. But the agrarian reform has still to be carried out in about 2,500 villages.

### THE NEW FARMERS

If we now try to view the main results of the reform in relation to the whole peasant agriculture of Latvia, it is obvious in the first place that each reconsolidated holding means a gain in technical standards for Latvian smallholding. On the other hand, out of the 71,000 assigned farms 6,800 already existed as tenants' farms before the reform, and in these cases the change is only of legal and financial importance ; it does not affect the technical character of the farms. Of the 64,200 new holdings about 10,300 were created for special purposes. There remain therefore 53,900 new agricultural holdings proper, with about 900,000 hectares of land in all, to consider. Small deductions ought to be made for holdings created on former agricultural workers' allotments, etc. Nevertheless, the reform has increased the number of peasant farmers by more than one-third ; the group of farmers having from 10 to 20 hectares of land has approximately increased from 18,500 to 60,000. While the old peasant farmer class is still the backbone of Latvian agriculture, there is, on the other hand, no doubt that the fate of the new holders will become of vital importance to the country.

At the very outset, when agrarian reform first began to be applied, it was officially declared that one of the main reasons for splitting up the big estates was to facilitate the change-over of Latvian agriculture from crop farming to dairy farming, a change which was considered necessary in the light of the economic conditions of the new State. The country now making up Latvia had before the world war been a highly industrialised and commercialised district. It possessed the only ice-free Baltic seaports of Russia, which had become important industrial and trade centres by force of Russian customs protection and the cheap sea transport of raw materials. It was evident that the new State would be relatively much more dependent on its agricultural industry, which therefore had to be made more intensive. It was thought this could best be arrived at by organising agriculture on the same lines as, e.g., in Denmark, and that

agrarian reform would be a step in this direction. The new farmers are all more or less dairy farmers. The co-operative dairy movement has developed rapidly, especially since 1923, but the export of dairy products, though growing, is still insignificant. Much remains to be done before Latvia becomes an important exporter of dairy products.

No attempt can be made to answer the general question how the new farmers are getting on, at a time when the reform has scarcely been completed. Moreover, a more careful examination of the groups composing the new farmer class will show that the problem is too complicated to be put in a general way.

One of the first points to realise is that the new farmers are far from forming a homogeneous economic group. It is evident that there is an enormous difference in position between the farmer who got his land in the early days of the reform, perhaps eight years ago, and the farmer who has just been shown the plot of land that will be his. There is a similar difference between the farmer who received land equipped with buildings and perhaps even drained, and the farmer who asked for land in districts where the demand was competitive, and who therefore, though exceptionally, has been given forest land only, which he must first clear before he can start farming. Obviously, the man who owned some livestock and agricultural implements has got farther than the man who first had to earn something before his holding could be equipped with more than the absolute minimum demanded by the authorities. Again, the man who had the assistance of his children, either adult or just old enough to work, has often been in a better position than a newly married man.

Ultimately the personal qualifications of the new farmer — both knowledge and energy — play an enormous part. Generally speaking — and on this point all agree — the new farmers are working very hard and have accomplished an amazing amount in a short time. Little by little the differences mentioned, which are striking to-day, may disappear and the new holdings all conform to the general type which is already discernible.

A traveller through parts of Latvia where large-scale farming used to dominate cannot fail to observe the effects of agrarian reform. He will frequently pass colonies of settlements, whose whole appearance will tell him that they are of recent date, from the first beginnings of a house in the open field, or perhaps even in a clearing in the forest still surrounded by stubs of trees, to

the freshly painted and newly finished home. Only ten per cent. of the new farmers could be given plots with buildings ; all the others had to construct their own buildings, usually three in number, separated from each other on account of the risk of fire. The material used is generally wood, but in districts where forests are scarce wood is often not available and the building material has therefore simply been clay mixed with straw, which afterwards has been coated over with cement or plaster. Brick houses are seldom seen. The dwelling house has as a rule been considered the most urgent problem. They are all very much alike and show a rather high standard of accommodation. This seems always to have been the case in Latvia, where building materials are relatively cheap. By now nearly all the holdings are provided with dwellings. These have two or three rooms and a kitchen on the ground floor and also rooms on the upper floor. Often the house has a little verandah. It has been stated that in view of the small means at the disposal of the builders the buildings have sometimes been constructed "with unnecessary luxury". It may be added, as evidence of the standard of living, that the modern plans for new or rebuilt farms published by the Ministry of Agriculture all have three or four rooms besides the kitchen, except for dwarf holdings of a few hectares. The construction of the dwelling-house, however, does not imply the finishing off of all the rooms ; the provision of shelter for livestock is more urgent. To-day eighty per cent. of all new holdings have stables, and thirty per cent. barns as well. The standard of the farm buildings, however, is not up to the standard of the dwelling houses ; the stables are often dark and primitively arranged. Lack of capital has of course contributed to this, but so has ignorance. The Ministry of Agriculture has published a great number of plans which have been offered to the new holders for a few pence, but most of them have pursued their own ideas. Instead of the modern stables shown in the Ministry's plans they have copied what they have learnt from the old peasant agriculture, which itself was and is rather lagging behind.

After a settler is properly established on his plot, little distinction seems to be recognised between him and an established peasant farmer. Does such a distinction exist from a technical agricultural point of view ? The only material providing an answer to this question is found in the Agricultural Census of 1923. Making a comparison province by province and size

group by size group, we find that, as a rule, the new farms have more arable land and less pasture than the old farms. They seem to be as well or as badly equipped with ordinary implements such as ploughs, but to have less agricultural machinery, while in livestock — horses, cattle, pigs — they are far behind the old farms.

If, instead of comparison by groups, comparison is made between all old farms and all new farms, the picture is much more favourable for the new farms ; after only a few years of agrarian reform activity they already seem to have attained the same standard as the old farms in many directions. This is often noted with satisfaction ; but it is difficult to avoid feeling that there is in the long run no real ground for satisfaction in the fact that the new farms merely keep pace with the old in their general technical development. If the new smallholders are not to form a class whose standard of living is much lower than that of the old peasants, their farming must be more intensive. The old peasant farm in Latvia with its 35 to 40 hectares of land can continue to grow cereals, perhaps even under better conditions than before the war. One of the principal leaders of the old farmers expressed to the author the opinion that Latvia ought not to go further on the road to dairy farming ; it could then remain self-providing as regards bread cereals. The small farmer's situation is quite different. On these farms a more intense agriculture must be practised if their holders are not to live from hand to mouth. But this means that considerable financial support is necessary, going beyond the bare creation of holdings.

#### TECHNICAL AND FINANCIAL ASSISTANCE TO NEW FARMERS

On the whole, the settler has been left a good deal to himself. The trained agricultural staff which was at the disposal of the new Latvian State had an enormous task before them ; first, the technical carrying out of the agrarian reform itself ; then the supplying of technical staff to manorial estates which were not to be divided up but to be run as model farms or experimental stations ; further, the reconstruction of devastated districts ; and, last but not least, the whole task of modernising Latvian agriculture. In these circumstances, neither the State nor the agricultural associations could give the individual settler much technical assistance.

The principal agricultural association, the Central Agricultural Association of Latvia (*Latvijas Lauksaimniecības Centralbiedrības*), existed before the war, but had to restart its work from the bottom in 1920. It has about 400 affiliated local societies, of which 208 are general agricultural societies, 60 are dairy societies, and 100 milk-recording societies. On an average a local society has 50 members ; if it is assumed that no farmer is a member of two local societies the total membership is 20,000, or about 10 per cent. of Latvian farmers. The contributions to the Association are so low that they are almost negligible. This important Association gives no special treatment to the new settlers ; they are on exactly the same footing as established farmers. The only advantage they enjoy is that they pay half fees for the services of the Association in the planning of certain improvements on their plots. Neither does the big co-operative organisation "Konsums" distinguish between new and old farms. This organisation has also about 400 local associations affiliated to it, of which 228 are consumers' co-operative societies proper, 95 are general agricultural associations, and 56 dairy co-operative societies. Of the members of the consumers' co-operative societies, 44 per cent. are farmers ; of the total membership of 80,000, 64 per cent. are farmers. The experience of this organisation is that the new settlers often seem to be more progressive than the old farmers. In the dairy co-operative societies a new farmer owning five or six cows is frequently able to deliver the same quantity of milk as the old farmer owning ten or twelve cows. It is scarcely surprising that the organisation does not see any reason for giving the new farmer special treatment.

Of direct financial help the new farmers have not had much. Most important has been the low prices they have had to pay for their land. The price has been fixed at 10 lats<sup>1</sup> per hectare for land of medium quality, and up to 20 lats for land of higher quality ; forest land and buildings are valued separately. This price is so low that it may almost be said that the land has been a gift ; even if up to 20 lats per hectare is paid, the whole plot does not cost the farmer more than a few hundred lats. On the other hand, it must be remembered that the condition of the land when taken over was generally very bad. If its value is now higher this is mostly due to the settler's own work. But land prices are very low even on the private market ; it is more

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<sup>1</sup> One lat = one gold franc.

expensive in Latvia to-day to drain land than to buy it. Still, in 1924 the market price of new farm land was on an average 36 lats per *purvete*<sup>1</sup> and 65 lats with buildings; in 1927 the corresponding prices were 74 and 118 lats. The difference between the prices of new and old farms has now nearly disappeared. In 1924 old farm land cost 62 lats per *purvete* and 95 lats with buildings; in 1927 the price had gone up to 101 lats and 128 lats respectively, the increase being 62 per cent. for land without buildings and only 34 per cent. for land with buildings. The prices of old farm land with buildings, however, declined from 1926 to 1927. Nevertheless, in some parts of the country land is still available at very low prices. During the nineteenth century when the peasant bought land from the manorial estates, he paid up to 200 roubles<sup>2</sup> per hectare.

As a rule the settlers get building materials from the State forests. According to the Building Credits Act of 21 December 1920, only one-third of the cost of building materials was originally charged, from 1922 onwards one-fifth, and in some cases nothing. An Act of 30 June 1924 changed the system. The full cost of materials is now charged, but after the house has been completed 50 per cent. is allowed in the case of wooden houses and 80 per cent. in the case of brick houses. For this purpose the budget includes an item of 10 million lats yearly for the five years beginning with the year 1925-1926. In order to pay for the building materials settlers obtained short-term loans, originally from the State direct, later from the State Land Bank founded in 1922. During the period of construction only 1 per cent. interest has to be paid on these loans. Their amount, however, is not large. A loan must not exceed 2,250 lats for wooden buildings and 4,500 for buildings of fireproof material. For farms with an area of less than 15 hectares, the loan limits are 150 and 300 lats per hectare; for artisans the limits are 600 and 1,200 lats respectively. Loans can also be obtained for equipment purposes. New holdings pay no taxes during the first five years.

As the State Land Bank also receives the annual payments from settlers for the land, it tries, as soon as the legal formalities of handing the land definitely over to the holder are completed, to convert the balance of the purchase sum and the various loans

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<sup>1</sup> 1 *purvete* = 0.37 hectare = 0.9 acre.

<sup>2</sup> One pre-war rouble = 2.67 gold francs.

into one long-term loan secured by a single mortgage. As a rule these mortgages are for 2,500 to 3,000 lats, or 5,000 to 6,000 lats if the land has been taken over with buildings. The interest on long-term loans is 4 per cent. and they are to be paid off in the course of 41 years. Besides interest, the settler pays 1 per cent. for administrative costs, an amount reduced since 1 January 1928 to one-half per cent. ; and, owing to the difficult situation in Latvian agriculture brought about by the bad harvests of the last two years, the interest has been reduced to 2 per cent. for the next four years.

Up to 1 January 1928 the State Land Bank had issued long-term loans to 26,420 new settlers, to 840 former tenants, and to 5,635 artisans, making up together 54½ million lats, of which 47 millions were lent to new settlers. Of the total sum, about 28 million lats represented conversion of purchase sums, and most of the rest building loans. Further, 67,000 short-term loans have been issued to new settlers, 3,900 to former tenants, and 2,700 to artisans, making up a total of 37½ million lats, of which 33½ millions were lent to new settlers, mostly for building purposes. A fair number of loans have been granted to buy live and dead stock, but very few for soil improvements, purchase of agricultural machinery, etc.

The amounts of long and short-term loans cannot be added together to show the total credit received by the new holders, as some of the short-term loans have been converted into long-term loans. Neither can the present debt of the new settlers be computed, as repayment has already started. The reports of the Bank give no information on these two points. Up to 1 January 1928 the Bank had issued loans to a total of 141 million lats, of which 23 millions had been converted into long-term loans and 6½ millions repaid, leaving a balance outstanding of 111½ million lats ; these figures include advances to owners of farms destroyed during the war and to agricultural industries. Since 1925-1926 the State has placed an annual agricultural credit of 10 million lats at the disposal of the State Land Bank.

The State Land Bank is the only important credit source for long-term agricultural credit. The Bank of Latvia, which had made loans on agricultural plant, has liquidated them, partly transferring them to the State Land Bank. There are also a great number of co-operative loan and savings banks in rural districts, with a membership of 115,000 persons ; among these the new settlers are rapidly becoming more important. The

financial resources of these banks are, however, very limited. The following table shows the growth of their membership from 1925 to 1927.

	1925		1926		1927	
	Number	Per cent.	Number	Per cent.	Number	Per cent.
Total membership	74,200	100	101,900	100	115,100	100
Including :						
Old farmers	45,800	62	63,700	62	66,500	58
New settlers	9,600	13	14,500	14	21,300	20

The new settlers have often been forced to contract private debts in the form of bills which they have great difficulties in meeting, and on which very high interest is charged. The total of these private debts is estimated to be 50 million lats. Attempts have been made by the State Land Bank to take over these loans, and in the course of 1928 about 10 million lats were changed into bank loans, which are not only safer for the farmer but also cheaper. However, fewer than half the new settlers (47 per cent.) have borrowed from the State Land Bank. Many farmers are completely free of debt, but it must be remembered that those who simply became owners of plots of which they had hitherto been tenants had no special need for credit.

Information throwing light on the economic position of the settlers is very scarce. The agricultural census in 1923 took place too soon after the beginning of agrarian reform to give a correct picture. Farm accounting is very rare in Latvia. The Central Agricultural Association receives about a hundred sets of accounts per year, among them those of only a few settlers. The Association has started an enquiry into the economic situation of the settlers, but the results are not yet available. The best barometer is perhaps the number of new farmers who have given up their plots. The Acts permit the sale of land received from the State Fund. The figure has been much lower than was expected. Of the total of 119,000 persons benefiting from agrarian reform, 11,500 have asked for permission to sell their plots. Up to 1 January 1928, 5,154 new settlers' holdings and 807 former tenants' farms had been sold. Among the sellers are a particularly large number of ex-soldiers who received a land assignment for war service, and, of course, persons who on account of age, lack of children, etc., are not able to farm successfully.

Simultaneously with the sale of land some concentration of land has taken place. In districts where the demand for land was considerable, persons who received only small plots seize the

opportunity to enlarge their holdings when a neighbour wants to sell. Where several members of a family, e.g. a father and two sons, have had adjacent plots assigned to them, there is also a tendency to farm the land together.

The new farmer has been prevented from giving the normal necessary amount of energy to his actual farming, as he has had to expend much of it in building, etc.; lack of credit has accentuated this necessity. The rest of his time has been given to such farming as could procure the absolutely indispensable ready money in the easiest way. During the first years many new settlers have been almost wholly dependent on their few milch cows. No wonder the new settler finds that he makes progress when he has finished his buildings. When the prices of land and of agricultural produce become better adapted to world market prices, the debts contracted will not be specially heavy. On the other hand, the new settlers will not immediately be well off. Large amounts of capital will still have to be sunk in the land; nearly all the land needs improvement and neither the present state of farm buildings nor the standard of livestock and implements corresponds to the level of dairy farming at which Latvian agriculture is aiming.

Undoubtedly the great majority of the settlers have succeeded in overcoming the difficulties of the first years, which have been increased by bad seasons and by the general crisis in world agriculture. True, the more primitive is the general state of agriculture in any country the easier it is to carry out agrarian reform; the amount of capital necessary to bring the new settlers up to the established level of farming is considerably smaller than in a country with a highly developed agriculture. But when the situation demands that the general standard of agriculture itself shall be raised, it is more expensive in the long run to equip large numbers of farms with cheap buildings which will soon have to be replaced or improved, instead of at once constructing really up-to-date farms, but in smaller numbers. A slower execution of agrarian reform would certainly prove more economical in the long run. It would allow time for more training and advice to be given to the new farmers and would permit the concentration of the available credit for the construction of fewer but better farm buildings. But the purpose of an agrarian reform of the scope of the Latvian reform is not only economic; it pursues aims whose importance in the eyes of the nation may balance these disadvantages.

# AGRICULTURAL WORKERS

About ten per cent. of the Latvian population are agricultural workers. Before the war the population of the territory to-day forming the Latvian State numbered 2½ million. By 1920 the figure was only 1½ million, but in the following years many refugees returned from Russia and in 1922 the population rose to over 1,800,000. Since then it has slowly increased and in February 1927 was 1,870,000. The population supported by agriculture was 1,056,000 at the date of the agricultural census in 1923. In 1925 it was about 1,082,000.

For details it is still necessary to use the 1923 census. The total number of agricultural workers was at that date 186,678. It is now estimated to be nearly 200,000, but it may be assumed that it has remained nearly constant, the increase due to the growth in the population being balanced partly by the agricultural workers who became smallholders, partly by the small rural exodus which takes place. The grouping of agricultural workers in 1923 is given in the table below.

## STATISTICS OF AGRICULTURAL WORKERS EMPLOYED IN 1923

Size of farm, etc.	Old farms		Other exploitations <sup>1</sup>		Size of farm	New farms	
	Men	Women	Men	Women		Men	Women
Hectares					Hectares		
Up to 2	449	577	213	325	Up to 2	79	68
2-10	3,034	3,236	639	777	2-5	130	90
10-20	4,813	5,283	432	574	5-10	230	308
20-30	5,307	6,541	262	320	10-15	1,332	1,461
30-50	16,752	20,984	345	427	15-20	3,351	3,824
50-100	24,347	29,566	837	919	Over 20	2,611	2,901
Over 100	3,892	4,554	2,160	2,119			
Total	58,594	70,741	4,888	5,461	Total	7,733	8,652
Workers engaged per year	30,923	42,474	3,600	4,075		3,207	4,607
Workers engaged per summer	27,671	28,267	1,288	1,386		4,526	4,045
Province :							
Livonia	21,118	29,210	1,674	2,238		2,418	3,024
Courland	12,283	14,990	1,370	1,391		2,662	3,096
Zemgale	16,874	17,881	1,246	1,282		2,216	2,127
Latgale	8,319	8,660	598	550		437	405

<sup>1</sup> Model farms, estates not yet divided, etc.

The group of wage-paid agricultural workers in Latvia shows certain special features. Of 186,678 workers in 1923, 97,399, or 52 per cent., were women ; of workers engaged by the year 58 per cent. were women. Only among temporary labour, that is to say, workers engaged by the day or the month, were the majority of workers men, namely 18,000 out of a total of 30,000, but the number of temporary workers was very small in comparison with the 67,000 summer workers (i.e. engaged for the summer only), and with the 89,000 workers engaged by the year.

The summer workers are farm servants. Many of them are migrants from other parts of the country ; more especially the sons and daughters of smallholders in Latgale work during the summer in other parts of Latvia. During the winter they either stay at home or find forest work, though some of them remain in the district where they were employed in the summer, oftenest in Livonia where flax growing gives winter work.

Workers engaged on yearly contracts are most frequently farm servants. Some, however, are "deputat" workers, i.e. they receive part of their wages in kind, in the form of a plot of land, fuel, cereals, potatoes, etc. These workers sometimes own cattle. This system is well known in large-scale farming in Eastern Germany and Poland. In Latvia it was much more extensive before the agrarian reform, being a form of contract more suitable for large estates than for peasant holdings ; but it still exists in Courland and Livonia on estates which as model farms remain undivided, as well as on some of the larger old peasant farms.

The table above shows that it is the old farms which offer employment to agricultural workers. Moreover, of the 129,000 workers employed on old farms, 100,000 are employed on farms of over 30 hectares. But the amount of paid labour on new farms was not unimportant in 1923, and as the number of new holdings is now much bigger than at the date of the census the number of workers employed on new holdings is certainly higher than at that time. Still, the employment possibilities offered by the new farms are limited. Summer workers make up 52 per cent. of all workers on such farms (43 per cent. on old farms).

Nevertheless, if we compare new and old farms of a similar size, we see that the new farms employ more paid labour for their size. On old farms of 2-10 hectares, 94½ per cent. of the adult farm population belongs to the farmer's own family, on new farms only 87 per cent. ; for farms of 10-20 hectares the percentages are respectively 89 and 82. The fact is that many new farmers are young men with small families ; in course of

time family labour will no doubt replace paid labour on the new holdings. On the other hand, reckoning all labour together, family and paid, the new farms are less well equipped with labour than the old. On old farms of 10-20 hectares four persons are employed on a given area, while the new farms in the same group employ only three persons. However, these figures can only approximately indicate the relative consumption of labour on old and new farms ; probably the new farms, owing to their more modern organisation, are able to make better use of labour.

The advantages or disadvantages of the new farms in regard to the use of labour are, however, questions of secondary importance. The main fact is that, in spite of the agrarian reform, Latvia has still a large class of wage-earning agricultural workers. How has the reform affected them ? Before the reform there was a certain shortage of farm labour. In spite of the decline in the population and the amount of agricultural reconstruction work which had to be started after the constitution of the new Latvian State, the breaking up of the manorial estates during the first years of the reform seems to have created difficulties. Workers on such estates lost their employment. They therefore organised in order to safeguard their interests during the execution of the reform and in order to assist each other in obtaining land from the Land Fund.

A congress held in 1923 showed that the carrying out of the agrarian reform had aroused considerable discontent among agricultural workers. Nevertheless, the number of agricultural workers (more than ten per cent.) who obtained land was not insignificant. A number of tenants also obtained land, and of these the share-tenants at least had really been working under a contract of employment. An estimate of numbers is impossible owing to lack of information as to the former labour force on manorial estates.

Whatever unemployment arose did not prove permanent. As already stated, a certain number of agricultural workers obtained land and ceased to compete for work. Soon conditions on the labour market became more satisfactory and there was even a certain scarcity of labour. In order to meet this difficulty the Institute of Rural Economy attached to the Central Agricultural Association organised an employment exchange. At the outset, in 1924, workers were mostly engaged from Latgale and from Riga ; in that year the number of workers placed on farms was 5,000. In recent years workers have also been drawn from Lithuania and even from Poland ; this is a revival of a pre-war movement.

From 1910 onwards migrant Lithuanian and Polish workers, who for years past had gone to Germany, came to seek employment in Livonia and Courland also. In 1927 the employment exchange placed 2,178 workers on farms, of whom 1,418 came from Lithuania.

In 1927 the shortage of agricultural labour diminished considerably for both whole-year and summer workers. The effect, according to the workers, has been a certain retrograde movement in the previous steady rise in wages. During the summer months there is some movement of labour from the towns to the farms, but agricultural workers do not at present complain of unemployment during the summer, as is the case, for example, in Estonia. During the winter there is some seasonal unemployment in spite of the forest work ; on this point an unfavourable effect of the agrarian reform is felt by the workers, namely, the increased number of smallholders who themselves look for forest work during the winter, and who can bring with them a horse and thus compete successfully with agricultural workers proper.

The wages of whole-year and summer agricultural workers are shown in the table below.

WAGES OF WHOLE-YEAR AND SUMMER AGRICULTURAL WORKERS,  
WITH INDEX NUMBERS, AND INDEX NUMBERS OF RETAIL  
FOOD PRICES AT RIGA, 1913, AND 1921-1927

Year	Wages				Index numbers (1913=100)				Riga retail food index number (July 1914 =100)
	Whole-year workers (per year)		Summer workers (per season)		Whole-year workers (per year)		Summer workers (per season)		
	Men	Women	Men	Women	Men	Women	Men	Women	
	Lats	Lats	Lats	Lats					
1913	320	181	200	115	100	100	100	100	—
1921	236	146	182	119	74	81	91	104	89
1922	359	216	243	160	112	120	122	139	89
1923	385	233	290	195	120	129	145	170	101
1924	488	295	343	214	150	163	172	186	120
1925	537	334	376	241	167	185	188	210	131
1926	569	364	388	258	178	201	194	224	128
1927	563	369	379	255	176	204	190	222	133

These sums are cash wages only ; board is not included. Comparison with the Riga food index can therefore only be approximate. Disregarding the year 1921, when wages were even lower than before the war, and taking instead the year 1913, we find that cash wages for men have risen between 75 and 90 per cent. and the food index only 33 per cent. The downward tendency since 1926 is attributed by the workers to the introduction of alien labour from countries where wages are lower than in Latvia. Wages of whole-year workers have improved less than those of summer workers, but the wages of the latter have been more directly affected by the entry of alien labour.

The daily wage of a day labourer is about 3.70 lats ; for women workers 2.30 to 2.70 lats. In 1913 the figures were 2.70 to 2.90 lats for men and 1.60 to 1.90 lats for women. These wages seem to have risen only slightly more than the Riga food index. This is in agreement with the fact that there is less shortage of day labour than of any other kind. In Livonia, the province where the demand for such workers seems greatest, their wages have risen most.

Wages have risen more for all groups of women than for men, a fact which is also found in the agriculture of other countries, confirming the general experience that it is the wages of the worse-paid workers that have increased the most since the war. The same principle has been at play in that the all-round increase in wages has been highest in Latgale, where wages are still 20 to 25 per cent. below the average for the whole country. The next highest rises have been in Livonia, here because shortage of labour is felt most. The cash wages of deputat workers are considerably lower than those of day workers. Their total income is stated to be about 900 lats per year, of which only 180 are received in cash.

If the value of board were also included in agricultural workers' wages, then earnings would naturally follow the Riga food index more closely ; the increase in total earnings would be less than the increase noted in cash wages alone. Even so it would be evident that a considerable improvement has taken place in the position of agricultural workers in the period 1921-1926. All statements made to the author of this article show that the real wages of agricultural workers have improved as compared with pre-war conditions. According to the estimates of the workers whose calculations show the smallest increase, the improvement must have been at least 30 per cent. Latvian

agricultural workers are at the present time in a better position than their comrades in many other industries. Even wages for women and wages for skilled labour in industry, of which there is a certain shortage, have only risen 86 per cent. between 1921 and 1926, as against an average rise of 130 per cent. in the wages of agricultural workers; wages of unskilled industrial workers have risen by only 69 per cent. The daily wage for an unskilled male worker in industry in 1926 was 2.95 lats per day, as against 1.90 lats for an agricultural whole-year worker, or 2.60 lats for an agricultural summer worker, but both of these in addition receive board. The summer worker, at any rate, gains more per day than the industrial worker, which is not often the case in other countries. It must, however, be remembered that Latvian industry is for the time being in a very difficult position; that the industrial worker has an eight-hour working day and the agricultural worker an unlimited working day; that the agricultural worker is a seasonal worker, and that his position with regard to social insurance is less favourable than that of the industrial worker.

These relatively high agricultural wages have produced many complaints from farmers, but it is difficult to determine whether wages are really too high for agriculture to be profitable. Only a few elementary farm account results are available; according to these the percentage of labour costs to total costs on Latvian farms in 1926-1927 was 31.5 per cent. (in Latgale only 17.5 per cent.). But costs included various expenses which must be considered as capital investments. Excluding such items, we find labour costs are 37.6 per cent. of total costs; this figure does not include family labour. Estimating the amount of family labour as half the amount of hired labour, or as just equal to hired labour (according to the census of 1923 these estimates seem to correspond to the labour conditions on farms of over 100 hectares and on farms of 50-100 hectares), we arrive at labour cost percentages of 55 and 61 per cent. respectively. Undoubtedly the proportion of total costs expended on labour is high, but not much higher than that in other countries where, as in Latvia, little is spent on fertilisers and bought feeds. As already stated, the general character of Latvian agriculture calls for the use of a relatively large amount of labour. However this may be, it is perhaps more important to note that labour cost percentage, both in relation to all costs and in relation to cost exclusive of capital investments, seems constantly declining. It may therefore

be hoped that the present wage level for agricultural workers can be maintained.

It is only in the light of the difficulties that Latvian agriculture has had to face that the position of agricultural workers appears fairly satisfactory. Their income, taken absolutely, is low, and their working conditions are generally behind those of agricultural workers in central Europe. Working hours are from sunrise to sunset, with one hour for breakfast, two hours for dinner, and half-an-hour to one hour between 4 and 5 in the afternoon. On a yearly average the working day is normally 10 hours. In 1924 a Bill on working hours in agriculture was discussed in Parliament, but rejected. It would have limited the average working day to 9 hours, i.e. 11 hours from May to September, 8 hours in October, March, and April, and 7 hours in the three darkest months. The Bill also forbade the employment of children below 9 years of age and fixed a shorter working day for children from 9 to 14 years of age than for adults.

Housing conditions are not good, though on farms destroyed during the war and since reconstructed the most advanced farmers have sometimes arranged quite up-to-date accommodation for their workers. On farms with old buildings servants are mostly lodged, both sexes together, in one big room. The Central Agricultural Association is however making propaganda to have these rooms divided up into smaller ones. Specially difficult is the position of the married worker, who before the agrarian reform lived as a deputat worker on the manorial estates, having a house as part of his wages. Many of these deputat houses are now centres of new holdings. Married workers still prefer to work on big estates, though the remuneration is considered higher on peasant farms ; but the latter have difficulty in housing such workers. The same unwillingness of the peasant farmer to employ married labour and his difficulties in doing so are found in other countries also. In a country like Latvia, where large-scale farming practically no longer exists, this problem, whose effects will in the long run greatly injure the farmers themselves, is especially acute. A special Act on the housing of agricultural workers was passed on 13 June 1927, which to some extent seems to repeat regulations already included in the Agrarian Reform Acts. According to this Act buildings not in use on undivided estates which are now turned into educational centres are to be arranged as dwellings for agricultural workers ; garden land is to be attached to them. Agricul-

tural workers, who themselves wish to build, can obtain up to 10 hectares, according to the amount of land available in the locality. Farmers who lodge their workers must in the course of not more than five years arrange accommodation for them in existing buildings in such a way that married workers get at least one room each, and unmarried workers suitable accommodation in separate rooms for each sex. For all these purposes cheap building materials and credit can be obtained.

Apart from old Master and Servant Acts, dating from a time when the territory of the present State of Latvia belonged to different administrations and which therefore are not uniform throughout the country, no legislation regulates the actual working conditions or the wages of agricultural workers. Social legislation has only recently been applied to agriculture. An Act passed in 1927 extends accident compensation to agricultural workers. There is no regular sickness insurance for the rural population, but the State contributes to medical and pharmaceutical expenses.

The right to combine is assured to agricultural workers. Latvia has ratified the Draft Convention on this point adopted by the Third Session of the International Labour Conference. But hitherto the workers have not made much use of their right to organise. In 1920 the Organisation of Agricultural Workers (*Laükstradnieku Savienības Valde*) was founded with a view to protecting the interests of agricultural workers while agrarian reform was being carried out. It was largest in 1922, when it had 14,000 members; but as the members settled down on their smallholdings they lost their interest in the Organisation and gave up membership. It has to-day only 3,000 or 4,000 members, of whom 70 per cent. are smallholders. In 1923 another organisation, the Trade Union of Agricultural Workers (*Laūku Stradnieku Arodbiedriba*), was founded, which has remained a regular trade union. It has grown slowly and has to-day not more than 2,000 members, of whom 15 per cent. are smallholders and the rest handicraft and agricultural workers. Efforts have been made to amalgamate the two, but the Organisation of Agricultural Workers, though ready to co-operate, holds the opinion that it still has a field of activity different from that of the Trade Union.

On the whole, it may be said that trade unionism is without importance in Latvian agriculture. The activity of the Trade

Union of Agricultural Workers is limited to legal assistance to its members and to the work of a friendly society. Organised movements to improve working conditions have not yet been attempted and collective agreements do not exist. For some reason a specific organisation of agricultural employers has not come into existence. Employers' interests are looked after by the Central Agricultural Association, which is not in favour of collective bargaining, though it has sometimes invited workers' representatives to discuss various questions and is itself active in its endeavour to improve working conditions ; we have mentioned the interest of the Association in the improvement of workers' accommodation. The Association has also drawn up a model contract, which it has specially recommended to all farmers engaging workers from its labour exchange. The contract stipulates the rights and obligations of both parties. The working hours are fixed by the farmer. The worker has the right to be paid every second month, and is entitled to a weekly rest, preferably on Sundays and holidays, on which days only absolutely indispensable work can be demanded. The worker engaged for six months has the right to five days' paid leave, to be taken at a season when the work is least pressing. Further, the office of the Association gives consultations to farmers and workers on questions relating to the reciprocal obligations under the contract. Similar model contracts exist for alien labour, but with differences in detail ; e.g. in a contract for alien beet workers the number of leave days after six months' service is fixed at three only.

On the whole, however, the workers cannot place too much reliance on the efforts of progressive leaders in the Agricultural Association to improve working conditions. The influence of the Association is limited to a minority of Latvian farmers. Working conditions in Latvian agriculture are still mainly regulated by individual contracts of employment, independent of any direct influences from outside. Under this system agricultural workers have lived during the carrying out of the agrarian reform. This enormous change in the structure of Latvian agriculture has taken place without harming the agricultural workers and has even coincided with an improvement in their position. This improvement has taken place on a practically unregulated labour market open to free competition and in spite of unfavourable economic conditions in agriculture. Its main reason is a shortage of labour—a shortage due to the reduction in population caused by the war, to the reconstruction and the

reorganisation work started, and to the transfer of workers to smallholdings allotted under the agrarian reform. The reform itself has, however, destroyed more labour opportunities for agricultural workers than it has created new opportunities for them. All in all, however, Latvia has been able to avoid a drawback attending the radical execution of agrarian reform which is only too well known in other countries, namely, a deterioration in the position of a certain number of agricultural wage-paid workers.<sup>1</sup>

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<sup>1</sup> The conclusions of the last section of the present article are not presented as in contradiction to the general conclusions advanced by Dr. Adam ROSE in his article on "Agricultural Workers and Agrarian Reform in Central Europe" in the *International Labour Review*, Vol. XVIII, No. 3, Sept. 1928. But it is clear that the situation of the Latvian agricultural worker in consequence of agrarian reform has been exceptional, and is not the same as that analysed by Dr. Rose.