




**MEMORANDUM ON LATVIA**

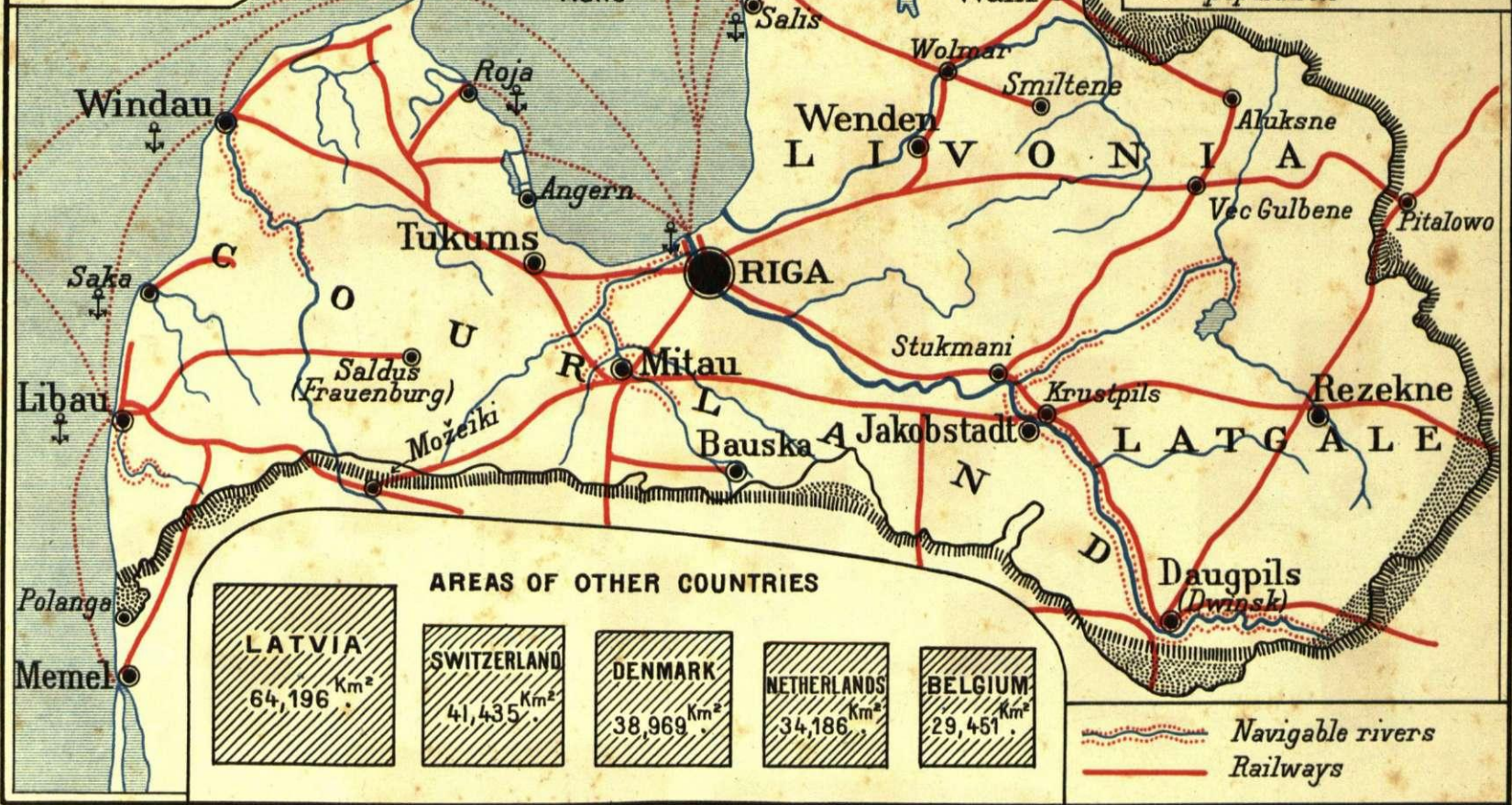
**ADDRESSED**

**TO THE PEACE CONFERENCE**

**BY THE LETTISH DELEGATION**



MAP OF LINES OF COMMUNICATION OF LATVIA

 Administrative frontier  
 Ethnographical frontier  
 Regions with mixed population



AREAS OF OTHER COUNTRIES

<p><b>LATVIA</b></p> <p>64,196 Km<sup>2</sup></p>	<p><b>SWITZERLAND</b></p> <p>41,435 Km<sup>2</sup></p>	<p><b>DENMARK</b></p> <p>38,969 Km<sup>2</sup></p>	<p><b>NETHERLANDS</b></p> <p>34,186 Km<sup>2</sup></p>	<p><b>BELGIUM</b></p> <p>29,451 Km<sup>2</sup></p>
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 Navigable rivers  
 Railways

# THE POPULATION OF LATVIA ACCORDING TO NATIONALITIES

According to the Census of 1917 for Riga (other towns 1911 and 1913) and of 1897 for Latgale and the country

Towns with a population of 100,000 and more

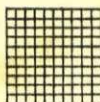
Towns with a population of 20,000 to 100,000

Towns with a population of 5,000 to 20,000

Villages with Lettish majority

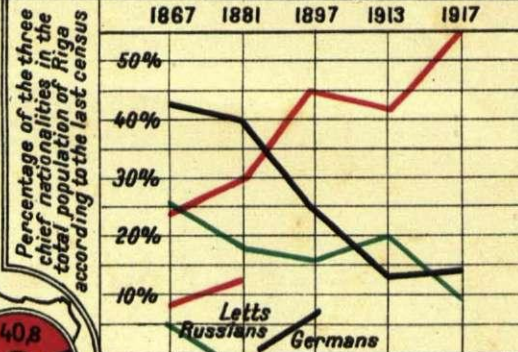
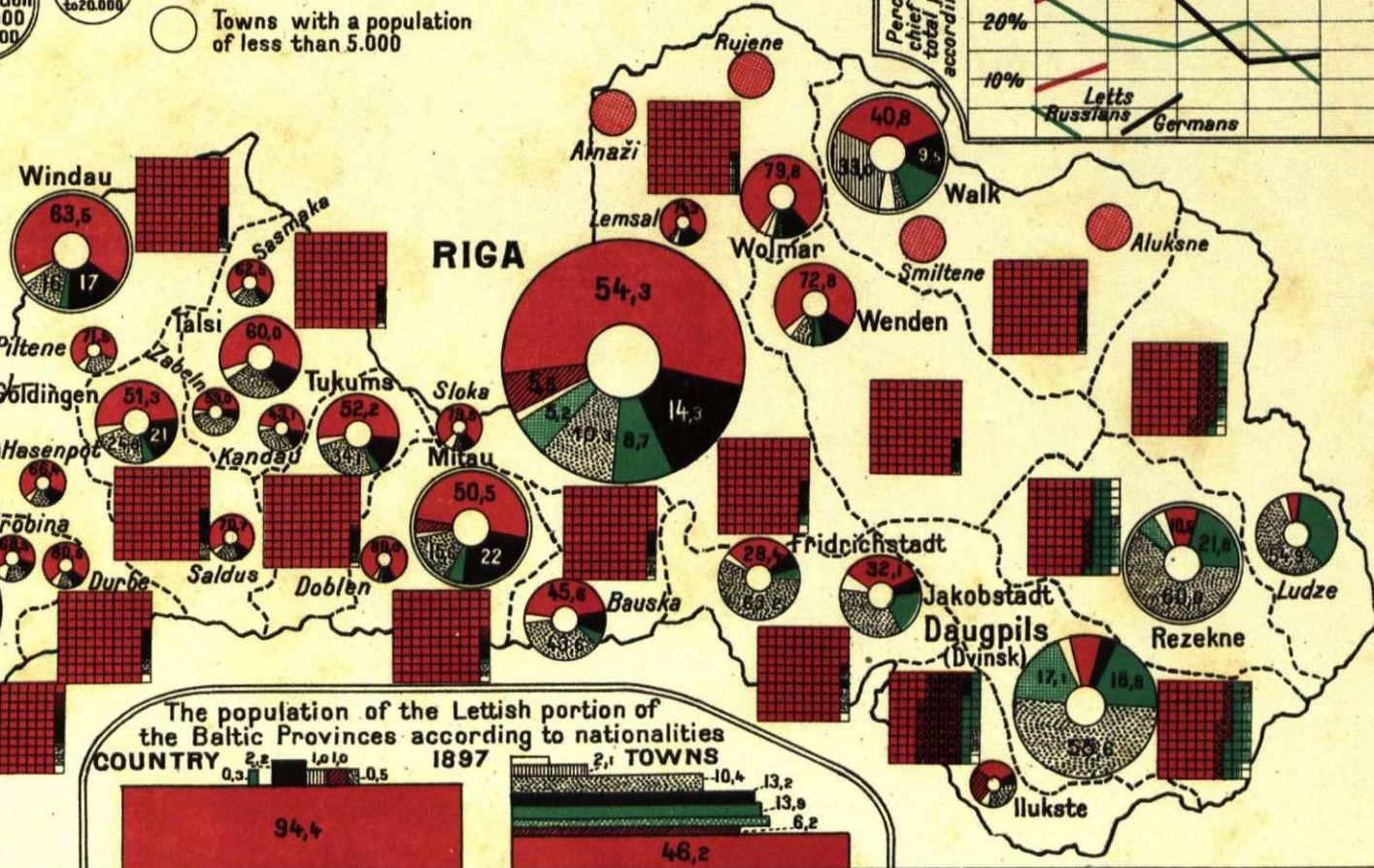
Towns with a population of less than 5,000

Frontier of districts



Percentage of population of districts

- Letts
- Lithuanians
- Great Russians
- Poles
- Mixed Nationalities
- Germans
- Jews
- White Russians
- Esthonians
- Various



# MEMORANDUM ON LATVIA

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# MEMORANDUM ON LATVIA

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## TO THE PEACE CONFERENCE

### BY THE LETTISH DELEGATION.

#### THE LETTISH COUNTRIES.

From ancient times the Letts have been established on the shores of the Baltic, from the port of Ainaži on the eastern bank of the Gulf of Riga, down to Palanga, which lies on the frontier between Prussia and Courland.

The following districts are inhabited by compact masses of Letts :

Area.

Courland, with an area of 27,023.3 km<sup>2</sup>;

The 4 southern districts of the province of Livonia (Riga, Wenden, Wolmar, Walk), with an area of 22,570.9 km<sup>2</sup>;

Latgale, which consists of the 3 north-western districts of the province of Wittebsk (Daugavpils, Rezekne, Ludze), with an area of 13,704.8 km<sup>2</sup>.

Latvia, which is divided into 17 districts, covers an area of 63,299 km<sup>2</sup>, not including the inland lakes; including the inland lakes, it covers an area of 64,196 km<sup>2</sup>.

Latvia is considerably larger than Denmark (38,969 km<sup>2</sup>) and Holland (34,186 km<sup>2</sup>), which two countries it greatly resembles in regard to geographical position, climatic conditions, and economic organisation. Switzerland (41,435 km<sup>2</sup>) and Belgium (29,451 km<sup>2</sup>) are much smaller than Latvia.

Frontiers.

Parts of the frontier of Latvia are identical with the administrative frontiers of the provinces and districts of the old Russian Empire. The western, and part of the northern frontiers, are formed by the Baltic Sea and the Gulf of Riga. Of the total 1777 km. of frontier, the maritime frontier is 519 km. long. The southern frontier is the same as the administrative frontier of Courland; in the east it is formed by the eastern administrative frontier of the district of Ludze, and in the north, by the northern frontiers of the districts of Wolmar and of Walk, where Latvia joins the districts of Pernau, Fellin and Werro.

In the north, Latvia is separated from Esthonia by 308 km. of frontier; in the east, in the province of Pskoff, it is separated from Great-Russia by a length of 168 km.; in the south-east, 177 km. of the frontier runs between Latvia and White-Russia, and in the south, 605 km. between Latvia and Lithuania.

The following regions, lying beyond the administrative frontiers, are inhabited by Letts :

- 1) North of Aināzi, a small area on the shore of the Baltic ;
- 2) North of Oppe, the community of Jaun-Roze, lying on the Valka-Aluksne (Marienburg)-Stukmaņi (Stockmannshof) railway ;
- 3) The community of Luceneeki, in the district of Werro (east of Jaun-Roze) ;
- 4) In the province of Pskoff, a narrow strip of territory lying between Livonia (east of Baltinova) and the boundary of the district of Ludze, and reaching from Korsovka to Pitalovo on the Petrograd-Warsaw railway ;
- 5) The district of Akniši, in the province of Kovno, which forms a racial island in Courland between the districts of Ilukste (Illuxt) and Jaun-Jelgava (Friedrichstadt), south of Krustpils ;
- 6) The region south of Courland, between Memele, the district of Jaun-Jelgava (Friedrichstadt), and the point where the river Musa enters Courland ;
- 7) A strip of territory in the province of Kovno, 4 to 9 km. broad, bordering on Courland, between the small towns of Žagari and Pikeli ;
- 8) In Prussia, the narrow Kurische Nehrung, 40 km. broad, separating the Kurische Haff from the Baltic.

In the following regions the ethnographical frontiers of the neighbouring nations lie beyond the frontiers of Latvia :

- 1) In the north of the district of Valmeera (Wolmar), the Esthonians inhabit some 100 km<sup>2</sup> north of Moiseküll ;
- 2) A region north-east of Walk, round Lugāžu Leelā Muiza ;
- 3) The Lithuanians and White-Russians inhabit the south-western portion of the district of Ilukste (Illuxt), where the Letto-Lithuanian frontier lies a short distance beyond the Daugavpils (Dvinsk)-Poneveži railway ;
- 4) South-west of Courland the neighbourhood of Palanga is inhabited by Lithuanians as well as Letts.

These facts cannot give rise to conflicts between the Letts and their neighbours, because all ethnographical frontiers are very clearly traced and the difference between them and the political frontiers is insignificant.

In the following regions the population is mixed :

- 1) The town of Valka (Walk), situated in the neighbourhood of Esthonia, naturally contains a number of Esthonians. The town should, however, be assigned to Latvia for the following reasons :

a) The majority of the population is Lettish. The census of 1917 shows the number of Letts at Valka to be 4453, and the number of Esthonians, 3594. In 1917, the Letts obtained a majority in the elections, which proves their preponderance in this town ;

b) Valka is the capital of an almost exclusively Lettish district (93.2 p. c. of the entire population);

c) Valka is situated on a territory which has been Lettish from time immemorial and is surrounded by a Lettish population;

d) Of the five railway lines joining at Valka, three serve exclusively Lettish districts;

e) In 1917, when the Prince Lvoff Government divided the province of Livonia between the Esthonians in the north and the Letts in the south, Valka was assigned to the Lettish portion of Livonia; the Letts and the Esthonians, however, agreed to submit this matter for decision in normal times;

2) In the east, on both sides of the political frontiers, there are districts inhabited by a population of Letts, White-Russians and Great-Russians.

3) In the centre of the district of Ilukste (Illuxt) there are communities inhabited by Letts, and Lithuanians.

The Lettish State is bounded by ethnographical frontiers; but in some cases economic necessities and the interest of the ways of communication demand various corrections both of the ethnographical and the old political frontiers. For these reasons, Latvia demands the inclusion in her frontiers of:

1) *Možeiki (Maravievo)*, in the province of Kovno, which is a junction between the Riga-Mitau and the Libau-Romny railways. The latter is the only line which joins up Libau with the rest of Latvia. In assigning to Latvia the station of Možeiki with its section of the railway running towards Libau and the Courland frontier, and in tracing the line of demarcation along the neighbouring rivers, an area of some 90 km<sup>2</sup> would be added to Latvia; in this area the population is made up of Letts and Lithuanians, the latter forming the majority.

2) *Pitalovo*, in the province of Pskoff, should be joined to Latvia. At a distance of 9 km. from Latgale, this is ancient Lettish territory, although at present the majority of the population is Russian. It is necessary that this station be assigned to Latvia for two reasons: first, because it is a junction between the Riga-Ramocka-Sita-Pitalovo and the Daugavpils (Dvinsk)-Rezekne-Pskoff railways, and second, because if left to Russia, the communications between Livonia and Latgale would be cut off.

3) The Stukmani (Stockmannshof)-Aluksne (Marienburg)-Valka railway passes between Valka and Oppe, on the Letto-Esthonian frontier; it is therefore desirable to include the whole of this line in the Lettish State in order to maintain direct communication between Southern Livonia and Valka.

4) *The island of Runo*, in the Gulf of Riga, should be assigned to Latvia. This island has an area of about 9 km<sup>2</sup> and is inhabited by some 250 Swedes. It should be assigned to Latvia because it is in the Lettish territorial waters and because the wireless station and its lighthouse are necessary to Riga during the spring and winter.

The island has recently been included in the district of Arensburg, but formerly formed part of the district of Riga or of Courland, from which it is not far distant.

### POPULATION.

On January 1, 1914, the population of Latvia numbered 2,552,000, of which the overwhelming majority was Lettish. In the provinces of Courland and Livonia more than 95 p. 100 of the country population is Lettish; in the towns — with the exception of two, with a relative Jewish majority — the majority of the population is likewise formed by Letts. In the towns of Latgale, however, the majority is Jewish.

The last census showed the number of German inhabitants to be only 120,191. Their number has been steadily decreasing, so that now the only important German groups are to be found in Riga and Libau, and even there they do not amount to more than 11 to 13 p. 100 of the population.

In Courland and in Livonia, some 2.2 p. 100 of the country population is formed by Germans, while in Latgale there are less than 1 p. 100.

Before the war, the Russian element in Latvia was represented almost exclusively by civil and military officials, but since the war they have left the country and at present there are scarcely any Russians in Courland and Livonia. In Latgale there are still some Russian colonies, which had at one time been artificially created amongst the Letts; but in Livonia and in Courland the Russian population does not surpass 1 p. 100 of the population in any single district.

From the national point of view, the population of Latvia is very pure. The inhabitants are Aryans, who speak Lettish; this language, with the Lithuanian, represents nowadays the great Baltic group of Indo-European languages.

Towards 1840 this Baltic race fell under the influence of the national renaissance which was spreading all over Europe.

The German nobility and the Russian Government were both hostile to the Lettish national uprising; the former because they could dominate the Letts if they remained uneducated and the latter, because it was influenced by Slavophiles, who demanded one Tsar, one Orthodox faith and one Russian language for the whole of Russia. Lettish culture was not supported by the Russian authorities, who placed all possible obstacles in its way. It could therefore only depend upon individual initiative, which found an outlet in societies, unions, the press and literature. Even enemies of the Letts must admit that they, in spite of the greatest obstacles having been put in their way, have become a civilised people in two generations. Wherever the State or communes remained inactive, the work was done by individual initiative. Before the war there were 2223 Lettish societies, 670 of which worked for the education of the people. Latvia had 59 periodicals, and of several of these, 100,000 copies appeared daily. Even the smallest cottage in Latvia kept its daily paper. In 1912, 827 Lettish books were published in Russia, with a total of 2,771,080 copies, or 138 copies for every hundred Letts. It is not surprising to find among this people an extremely rich original literature as well as numerous translations of classic

Lettish  
civilisation.



authors. There are no illiterates in the Lettish population. Before the war there were 98 secondary schools in Latvia with 22,600 pupils; in Bulgaria there were only 25 schools, and in Greece, 40. In Latvia there is a secondary school for every 26,000 inhabitants, while in Germany there is only one for every 54,000. The number of Lettish students in Russia, apart from those studying in other parts of Europe and in America, was more than two thousand in 1913; in Norway there were only 1400 University students, in Denmark 1460, and in Bulgaria 800. The number of Lettish teachers in the secondary schools is more than 350.

Dramatic art is highly cultivated in Latvia, both in the towns and in the country. In Riga, Valka, Mitau, Windau and Libau there are permanent theatres and in the country there are many dramatical actor companies.

The ancient Lettish music is very rich, as is proved by the more than two thousand folk songs and melodies. Modern Lettish composers have created a very characteristic art full of a strong national sentiment. Music is taught in several colleges of musics, and cultivated in the Riga Opera, which latter ranks among the first operas of Russia and other northern countries.

In regard to the Fine Arts, Lettish artists, although under the influence of the art of Western Europe, have already established a Lettish school full of great talent and individualism. Exhibitions of Lettish art at Riga, Petrograd and Moscow have been much appreciated, and many of the artists have made a name in foreign countries.

In view of Lettish independent economic and cultural attainments, the peculiar position of Latvia as a political unity dependent on Russia appeared all the more difficult. Owing to the general culture of the people, Latvia and Esthonia may be regarded as the most enlightened and advanced regions of the Russian Empire, like Finland and Poland. In regard to her economical and cultural life, Latvia is a purely western State, resembling other Baltic countries like Sweden and Denmark. But yet the Russian Government carried out a policy there which was perhaps more appropriate to the semi-barbarian eastern provinces of Russia, from 1870 to 1914 even forbidding, in Latgale the publication of Lettish books.

But Latvia has also suffered economically. The inhabitants were taxed far more heavily in proportion than the Russians, paying 25-35 million roubles annually to Russia — quite apart from her own expenses and her share of the maintainance of central institutions. The Letts paid heavy taxes without receiving anything in return.

The Russian Government was able to support barbarian provinces, as well as Russian institutions of all kinds, at the expense of the Letts. And apart from this, the Catholic Letts of Latgale were until 1904 not allowed to acquire more than a limited area of land.

In spite of the domination of the Teutonic Order, the Poles and the Swedes, and in spite of Russian oppression, the Letts have always been able to preserve their nationality. Russia was only able to exercise the right of conquest over Latvia; and although the greater part of the country was united to Russia for only one

century, the latter was quite unable to gain any real influence over either the country or the people.

As regards her population (Lettish in its majority), her religion (Protestant and Roman Catholic), the historical traditions which she has in common with western European peoples, her civilisation and institutions, Latvia has nothing in common with Russia. The Lettish people has always had a firm desire for development, but was prevented by Russia from attaining this aim.

### HISTORY OF LATVIA.

The Letts have always inhabited the same country, which was divided into several states. Ruled over by chiefs and kings, they were always a free people. The ancient road leading from the North to Constantinople, the Caspian Sea and the Altai passed through their country, and they were thus able to keep in communication with other civilised peoples, which is proved by the remains of Phoenician, Greek, Roman and Arabian money and products which have been found there.

The favourable geographical position of Latvia on the Baltic gave rise to incessant strife. The successful commerce of the country with the Orient attracted German merchants. Then German crusaders were brought there, for the same reason as they were taken to Asia Minor.

A long, merciless fight began between the Letts and Esthonians on the one hand, and the conquering Germans on the other, and for more than 150 years they resisted them. Great battles were fought, of which the most important was that at Durbe, in 1260, where the German forces were completely annihilated. But the fight was an unequal one, the Germans being superior in military science as well as receiving continual reinforcements from Germany. Little by little, the conquerors deprived the Letts of their civil rights, and the state created by the Teutonic Order under the form of a Federal Republic, lasted until 1560.

Internal weakness, the Reformation, and increasing foreign influence were the causes of the final destruction of this ancient Livonian state. Esthonia passed under the rule of Sweden, Latgale and Livonia under that of Lithuania united to Poland, while Piltene and Oesel became Danish; Courland alone retained her independence under the form of a vassal duchy of Lithuania-Poland.

During this independence, Courland attained a high degree of culture. Industry became prosperous, and the navy increasingly large. Courland also had colonies in America (Tobago) and in Africa (Gambia). But the country suffered greatly by the numerous wars of the 17th century. In 1621, Livonia was annexed by Sweden, when the Letts of Livonia became more prosperous; for the Swedish Government both favoured and supported Lettish emancipation from German domination. The great war of the North, however, changed these conditions, and Livonia and Esthonia were conquered by the troops of Peter I. Latvia was then divided into three parts, which were later conquered by Russia.

In 1710, Livonia was annexed by Russia; in 1772, after the first division of Russian period.

Poland, Latgale was assigned to Russia, and in 1795 Courland joined Russia. From this time onwards, Latvia has been under Russian rule, when the conditions of the Letts became very difficult. Dating from the German conquest, the nobility had been German. In Russia too, the only free class was the nobility and owing to the German tendencies of the Russian court the German nobility of Latvia was able to acquire privileges which had been impossible under Swedish rule. Under the Russian rule the Diets of Courland and Livonia, which had until then represented all free classes of the population, became more and more the institutions of the nobility, where the nobility alone could be represented. The peasants were under the complete domination of the nobles. At the beginning of the 19th century the peasants were freed from slavery, and their land passed into the possession of the nobles; and only fifty years later they obtained the right of buying land. These are the reasons which account for their growing hatred of the German nobles.

As far as Latvia is concerned, modern history began in the year 1840. The Letts never accepted the robbery carried out by the Germans under Russian protection. Discontent often resulted in revolts — of which the most noteworthy was that of 1905 — which were always cruelly suppressed by the Germans and Russians. Lettish patriots claimed for their nation the rights enjoyed by other free peoples. In spite of suppressions of all possible kinds, the national sentiment of the people was always able to assert itself. From the middle of the 19th century onwards, literature, art, and economic undertaking developed strongly and irresistibly.

Russian policy  
in Latvia.

For many years the population has demanded a political régime suitable to its economic and cultural position. Before the war, politicians and press alike claimed political autonomy, for only modern political institutions can aid the evolution of intellectual and material forces. The Letts demanded financial autonomy, a separate army, consular and diplomatic representation, independent customs, separate post and telegraph, and their own railway administration.

As Lettish independence developed, the attempts at centralisation and russification on the part of the Russian Government increased. The Letts demanded Lettish secondary schools and universities, but the Russians replied by russianising the elementary schools. The Letts demanded the solving of the agrarian question in accordance with modern demands, but the Russians replied by the colonisation of Latvia by Russian colonists brought from the interior of Russia. The Letts demanded judges with a knowledge of the Lettish language, and the Russians replied by forbidding such judges to use the Lettish language. The Letts claimed a share of the taxes paid by them for the support of their own institutions (schools, theatre, opera, etc.), but the Russian Government used this money for the support of Russian institutions in Latvia and only appointed Russian officials there.

This policy could not be expected to strengthen Lettish sympathies towards Russia. The Letts could not be russianised, just as it had been impossible to germanise them in spite of all the efforts made by Germany under Russian rule.

The war  
1914-1919.

When the war broke out, the Lettish people resolutely took part against Germany

and some 182,000 Letts fought in the Russian army. On the outbreak of war they demanded the formation of an army composed of Lettish volunteers and commanded by Lettish officers, for the defence of their own country. After refusing this demand until June 1915, and after the second German advance into Courland, the Russian Government at length authorised the formation of such an army. It was the Letts who held up the German army at Riga until September 1917. This army of Lettish volunteers distinguished itself greatly, and lost 32,000 men. We will, however, only mention the following two cases: In July 1916, and from December 1916 until January 1917, the Letts, in accordance with the plans of their General Staff, broke through the German lines, a feat which had been regarded as impossible. They received no support from the Russian reserves, and the Germans were therefore able to re-establish their positions. This inactivity on the part of the Russians caused great suffering to the Letts, and under the Kerensky régime the Russians abandoned all strategical points before Riga; but yet the Lettish legions there gained immortal glory. They were aware that their courage was powerless before the fortunes of war, and they died for the honour of their nation.

During the German occupation the German Government tried to obtain, by all means in its power, a declaration from the Baltic populations in favour of their incorporation in Germany. At Riga and at Mitau special institutions, or "Landesrats" were established, which had to declare in favour of annexation by Germany. All Lettish political parties being hostile to the idea of union with Germany, these "Landesrats" were composed chiefly of local Russo-German representatives, and especially of the local German nobility. For the sake of appearances, the German authorities obliged several Lettish peasants to join the "Landesrats", and they were brought to the meetings by force of arms. But not one Lettish politician ever took part in this farce. Thus the "Landesrats" were able to pronounce in favour of union with Germany and to offer the Ducal crown of Courland, as well as the Royal Crown of the Baltic State, to Wilhelm II. But when, on September 3rd, 1918, the Germans celebrated the anniversary of the occupation of Riga, the festivities were enthusiastically shared by the Russo-German politicians and representatives, but not by a single Lett. The Russo-German nobility, supported by all other German classes, defended only "the German future of the Baltic Provinces".

German  
occupation.

For several years the events of war divided Latvia into two parts. Courland, and later Riga, were occupied by the German armies, while the greater part of Livonia and Latgale remained under Russian domination. For this reason the Letts found great difficulty in carrying out their policy, but in both parts of Latvia they were actuated by the same spirit. From before the war the chief Lettish claim was a claim for political autonomy and Lettish statesmen supported the idea of Lettish independence, although the question could not be publicly discussed owing to the Russian political régime. In 1917, at Riga, during the German occupation, a *bloc* was formed by the Lettish political parties and societies, which united all parties with the exception of a small group of Germanophiles and Bolshevists. The chief aim of this was Lettish independence and a fight against German and Russian annexationist tenden-

The state  
Council  
of Latvia.

cies. The Riga *bloc* was like a secret organisation, which worked in the whole of occupied Latvia. In those parts of Livonia and Latgale which remained unoccupied for several months, the Lettish National Council was formed at the same time; this also spread into Russia, where there were some 735,000 refugees. These two organisations resolutely supported Lettish independence and fought against the annexationist and germanising activities of the Germans, which were supported by the military authorities. The aims of these two organisations were at length attained and as soon as the Germans were conquered, in November 1918, the State Council of Latvia was created.

This State Council represented all the groups and tendencies existing both in the Lettish National Council and in the political *bloc* of Riga. It was composed of representatives of all Lettish political parties and national minorities, excepting Bolsheviks, and consisted of 100 members; of these, 78 were Letts, 8 Germans, 7 Jews, 5 Russians, 1 Lithuanian and 1 Pole. The Lettish seats in the Council were so divided that one-third belonged to the Lettish Peasant's Union which represents the most important class of the country. One-third belonged to the Social-Democratic Labour party, and one-third to the *bourgeois* of the towns. The Jewish and Russian population of Latvia is represented in the Council by all political tendencies, excepting the Bolsheviks. Only the Germans are not fully represented, because two of the five german political parties, being in favour of union with Germany, are not admitted to the Council. The seats in the Council were divided in proportion to the importance of each party in the population (number of members and number of votes obtained in the preceding elections).

The political parties united in the State Council of Latvia have accepted the following programme.

The Constituent Assembly of Latvia shall be convoked with as little delay as possible. It shall be elected by Lettish citizens of both sexes on the basis of a general, equal, direct, secret and proportional vote. Latvia is proclaimed to be a Democratic Republic, if this form of government be ratified by the Constituent Assembly. Latvia is to be sovereign and independent, indivisible amongst the nations of the world. Until the convocation of the Constituent Assembly, the power is to be in the hands of the State Council of Latvia, by which the Provisional Government shall be elected. The delegates of Lettish political parties and national minorities are to take part in the Council of State. The Provisional Government is to be a Coalition Government. Until the Convocation of the Constituent Assembly all executive power is in the hands of the Provisional Government. The national minorities are to be represented in proportion to their number in the Constituent and Legislative Assemblies. All minorities taking part in the State Council of Latvia are also to take part in the Provisional Government. All rights of national minorities shall be guaranteed by fundamental laws. The Provisional Government shall immediately guarantee the liberty of the press, of speech, unions and assemblies. Refugee Lettish subjects are to have all facilities for returning to Latvia. Armed forces are to be formed by a system of general recruiting, including volunteers. The Militia is under the orders of the Provisional Government, by which national defence

is organised. The Provisional Government is to establish local institutions and to fix the date for the convocation of the Constituent Assembly.

The State Council of Latvia is a supreme power, which will authorise one of its members to elect the Provisional Government (Council of Ministers). The Cabinet of Ministers is to be a Coalition Cabinet. With the exception of the Social-Democratic Labour party, which considers that it serves the interests of the Lettish State better by not taking part provisionally in the Government, all other parties, including the Germans, are represented in the Cabinet. Thus the State Council of Latvia represents all the classes and the nationalities of the country, with the exception of bolshevists and some German groups and persons who had collaborated with the Germans during the occupation.

The Lettish State began its activities under very difficult circumstances. The country had been completely ruined by war. In the spring of 1915, German forces invaded Courland and occupied Libau on May 8th. Until the middle of July, when the Russians were forced to retreat, the front lay along the Venta, in Courland; and until August all military operations were carried out in the most fertile part of the country — in Zemgale, between the Duna and the Venta. During this period many flourishing regions were completely devastated.

The present situation.

Yet greater harm was done by the retreating Russian army, which converted into a desert the districts of Dobele, Tukums, Bauska, Jaun-Jelgava, Ilukste and Riga. The population of those parts was forced to leave the country. On January 1st, 1914, the population of Courland numbered 798,300, but was by December 31st, 1916, reduced to 269,812. In certain districts more than 80 p. 100 had to leave (in Dobele 82.4 p. 100). From August 1915 until the beginning of 1918 the Russian front lay along the Duna and thus Livonia, on the right bank of the Duna, was under the influence of military operations. In the strip of territory along the Duna the civil population was expelled and the whole of Latgale was converted into a camp where normal conditions of life were interrupted. The influence of war was above all felt at Riga. In 1913 the population of this city numbered 517,522, of which the majority was occupied by commerce and industry. The port of Riga was closed from the first day of war and commercial activities naturally came to an end. In autumn 1915, when the German forces approached the Duna, all factories of Riga were evacuated to Russia. In the towns commercial activity declined and in consequence the population diminished, so that by August 1st, 1917, Riga had only 219,590 inhabitants. During the autumn of 1917 the district of Riga was devastated by the German troops. In the beginning of 1918 the German troops occupied the other parts of Livonia and Latgale and began a system of German policy. Privations became general in the whole country, and requisitioning was begun by the German authorities. Life became dearer and prices rose 100 and even 3000 p. 100 (For instance: one pound of bread rose from 3 copecks to 220 copecks; eggs from 3 to 150 copecks; butter from 30 or 40 to 1000 or 1500 copecks; sugar from 15 to 800 copecks; etc.). But salaries were only doubled.

After the Bolshevik revolution in Russia a great part of the Lettish refugees returned to their native country; but these tired people found no better conditions

awaiting them, for the Germans refused to give employment to Letts, who now depended entirely upon themselves for the reconstruction of their devastated homes and found all manner of obstacles in German rules and regulations. And it is usually impossible to reconstruct economic life without outside help.

The Lettish Provisional Government was therefore obliged to give first attention to economic questions, but in this work of reconstruction it is met by continual difficulties owing to the political situation. Latvia could only proclaim its independence after the revolution in Germany, but the German authorities put obstacles in the way of the Lettish Provisional Government. The winding-up of the German institutions took place very slowly, or in some cases not at all. The Lettish authorities could not use force against Germany, because at the time of the proclamation of Lettish independence there were still 90-100,000 German troops in Latvia, of these, 45,000 in Riga alone.

German policy gradually tended towards collaboration with Russia and the complete abandonment of the country to Russia.

This Russo-German policy threatened all the new states built up on the remains of the old Russian Empire, and the relations between the Letts and their neighbours acquired more and more actuality.

### THE NEIGHBOURS OF THE LETTS.

#### Esthonians.

In the North, the neighbours of the Letts are the Esthonians, of Finnish nationality, who have much in common with the Finns of Finland. For centuries the Letts and Esthonians have had a common history and although both race and language are different, these two nationalities have always been in agreement upon all important political questions and their responsible chiefs have succeeded in maintaining cordial relations between them. National friction, so usual between neighbours, has for a long time been reduced to a minimum owing to the political collaboration between the two peoples which had always been considered indispensable. This foresight has now been justified.

#### Great-Russians.

In the East, the neighbours of the Letts are the Great-Russians. In these regions the gravitation of the Great-Russians towards the East is apparent, and is due to the pressure exercised by a more cultivated and enterprising nationality. It is not probable that the creation of a reasonable frontier between Latvia and Great-Russia, traced in the interests of the Lettish State, will be difficult.

#### White-Russians.

The White-Russians are also the eastern neighbours of the Letts. The White-Russians and the Lithuanians have the same history in common. A large number of them are Roman Catholics. Thanks to the rule of the Lithuanian Grand Dukes, they have preserved the purity of their race, even during the time when Tartar domination influenced all other Slav peoples, and during the creation of the Great-Russian nationality by the fusion of Slav and Finnish races under the energetic policy first of the Grand Dukes, then of the Tsars of Moscow. Thus, in spite of semi-

community of their language, a great difference was created between the White-Russians and the Great-Russians.

At present a powerful nationalist movement is making itself felt in this nationality, tending towards independence. The relations between Letts and White-Russians being very cordial, the former have by all means in their power supported the national *renaissance* of White-Russia. White-Russian statesmen have recognised the importance of Lettish ports and Latvia only desires to cultivate cordial relations with this important Hinterland.

The relatively longest frontier is the Letto-Lithuanian, separating these racial brethren. Between these two peoples, and especially in the cultivated classes, relations have for many years been the most cordial. For centuries a tendency towards a common political organisation has from time to time made itself felt. Under this influence, Lithuanian statesmen are now following two distinct aims. On the one hand, they desire the rapid union of Letts and Lithuanians, if the conditions are favourable. This is in their opinion a strong proof of the possibility of one single Letto-Lithuanian nation, and they demand the establishment of a Letto-Lithuanian State. The Letts have no reason to oppose these tendencies, although they do not believe in the immediate possibility of it. The other statesmen, who are more numerous and influential, are in favour of the complete independence of Lithuania, considering it better to preserve the strong national Lettish and Lithuanian individuality, without mixing them. Yet they also are in favour of a political organisation which, by preserving and developing the national individuality of the two peoples, would permit each to support the other in matters of mutual interest. This political attitude, in view of its moderation and prudence, promises the best results and it may be expected that a political solution of the Letto-Lithuanian problem will be reached which will be acceptable to both parties.

Lithuanians.

For years the Letts have cultivated cordial relations with the oppressed nationalities of the Old Russian Empire in view of a common liberation and the creation of independent States.

The Lettish policy is dominated by its relations with Russia and Germany.

#### RELATIONS WITH GERMANY.

The Lettish struggle against the German *Drang nach Osten* is a very old and determined one. During the war the Letts have remained true to their traditional policy, and the policy of the German military authorities during the occupation has entirely justified Lettish distrust of Germany. The Germans relied upon the Russo-German element and worked systematically for the crushing of the Letts, both intellectually and materially; with this aim in view they began to colonise the country with Germans and established special societies which enjoyed unprecedented privileges. The Germans also began to create new States between Russia and Germany which, however, were always under German rule and in some way the Lettish nation was either divided or incorporated in these states where the majority of the population was formed by Germans.



When the genius of Marshal Foch and the bravery of the Allied troops caused the break-down of German power on the French battlefields, the Germans changed their policy and the systematic abandonment of the country to Russia was begun. This policy was made clear by several representatives — even Socialists — of Democratic Germany at Riga. At the outbreak of the revolution Lettish independence was recognised and assistance against the Bolshevist menace promised in exchange for a declaration in favour of federal union with Germany. After the Letts had absolutely refused to give such a declaration, the German Government declared that the Lettish countries could not be sovereign, because they form the key to the Russian Hinterland, which is the most important market to which the Germans could send their goods and from where they could import raw materials. In view of these facts, Germany cannot be in favour of Lettish independence, because the Letts might possibly prevent the access of Germany to Russia, or even favour the commerce of another country. Germany is incapable to keep the Lettish countries, and therefore she gives them over to the Russians which will not have the same reasons to oppose German economical extension in Russia. These clear declarations show the incompatibility of the Lettish interests with those of Germany. Latvia, owing to her geographical situation, is the natural intermediary between the Occident and the Orient and her economical and political interests demand that she should not be bound by Russian or German domination, but could permit all the civilised nations to take advantage in a rational way of the Russian *hinterland*.

#### RELATIONS WITH RUSSIA.

Lettish policy towards Russia is influenced by the same economic and political interests as that towards Germany.

The old united and centralised Russian Empire no more exists. A new order of things can be established : first, by the reconstruction of Russian unity as it existed before the war ; second, by the creation of a federal Russia ; and third, by changing the States which formed the old Russian Empire into sovereign states.

Let us examine these three problems in detail. The first concerns the reconstruction of a centralised Russia, which is favoured by the Russian political parties. The declarations of Russian statesmen can, however, not be quoted. We would only refer to that made by M. Sazonoff, the eminent statesman, in the *Temps* of January 19, 1919. He said : “As for the other nationalities, Russia always recognises their right to free national development, when these rights are justified by ethnographical and historical considerations and taking into account the vital interests of the entire country, reconstituted on a new basis”. In January 1919 the Russian political conference in Paris addressed the following declaration to M. Pichon : “The new Russia must now inaugurate a new policy with regard to non-Russian nationalities. The political situation taken by these nationalities in the *cadre* of the state will depend upon their degree of culture and their historical tradition. The reconciliation of the rights and interests of these nationalities with the vital

Centralised  
Russia.

interests of the State must be the first problem to be solved in connection with the reconstruction of the Russian State upon a new basis, and in harmony with the reorganisation of international community."

The Russian statesmen have the merit of having expressed their secret idea of ruling these non-Russian nationalities as in the past. But the past of Russia prevents these nationalities from placing any faith in her. The personal union with Finland has not been a safeguard for Finland. The Treaty of Nystadt guaranteed Livonian autonomy, but the Treaty was not kept by Russia; Russia never kept to a treaty when she considered it to be in her interest to break it. Russian promises have no value whatever in the eyes of Non-Russians. And will the peace of the world be aided by such a solution of the problem of the old Russian Empire? Poland and Finland have already been separated from her, and Russia herself has been divided. But with regard to this matter, the opinions of the nationalities themselves should be ascertained.

These Non-Russian nationalities, inhabiting the western part of Russia, have an older and higher civilisation, a better national organisation, a more highly developed intelligence, a strong character, great national pride, and great traditions to uphold; and for these reasons they would, under normal conditions, be stronger than the Great-Russian peoples, who under the same conditions can only look forward to being dominated by a foreign element. What can Great-Russia oppose to this except force and superiority of numbers? That is what is promised to us by "the reconciliation of the rights and interests of the nationalities with the vital interests of the State".

Now all nations energetically oppose the reconstruction of a Russian State within its old limits; but if they were obliged to agree to it, a series of reasons for revolts would be created instead of order and peace. Russia could not maintain her domination over the Non-Russian nationalities and would be obliged to seek the aid of Germany as in the past. Count Witte, who had always considered a policy of agreement with the great democracies as being fatal to the Russian Empire, her ruler and her dynasty, clearly foresaw the future of Great-Russia, which, after a period of terrible anarchy, would renew her traditional friendship with the Central Powers. This evolution has already been favoured by the Social-Democrats in power in Germany; and it will be still more certain and swift if the Entente and her Allies remain neutral in regard to the destruction of the living wall of nationalities separating Russians and Germans.

The events foreseen by Count Witte have already occurred. On by one the Russian political parties have arrived at the conclusion that German friendship is indispensable to Russia. When the exact conditions of existence of a Russia within the ancient limits is considered by Russian statesmen, they look to Berlin for instructions, like formerly Markoff, Miliukoff, Kerensky, Lenin, and others. Germany is certainly beaten today. But who can foresee the situation of tomorrow? Germany can always find the conditions of certain victory over the world in Russia, and again mobilise millions of Russian peasants against civilisation as she did in 1763, when Peter III betrayed France in favour of Frederic II; or between 1789 and 1815, when Russia under Catherine II, Paul I, and Alexander I, betrayed her allies; and

in 1853, when she fought the Western powers under Nicolas I. It was Russia who supported Bismarck's policy in 1864, 1866 and 1870, from which German unity resulted; and it was Russia who in 1917 concluded a separate peace with Germany. By claiming independence from Russia and Germany the Letts also claim the sole conditions under which Europe can avoid a new war, more terrible than the war that has just ended.

Russian  
Federation.

A Russian federation is often discussed abroad, but amongst the peoples most interested the idea has long ago been abandoned as unfeasible. They have understood that it is impossible to create a federation composed of elements so different in regard to their history, civilisation, tradition, mentality, race, religion, as well as their number and geographical position.

The centre of the State is inhabited by the Great-Russians, who are the most important in regard to their relative number, as well as being the least cultivated, the poorest, with the least talent for politics. A federation could result naturally from this Russian chaos, if the centre possessed the necessary superiority. This centre is not attracting, but repulsive, and the Russian statesmen have not raised this question because they clearly understood that centralisation is the first condition of existence of a Great-Russia within its old frontiers.

After the Revolution of 1917 the Provisional Russian Government convoked a meeting at the Ministry of the Interior at Petrograd, with the aim of finding a basis for the establishment of a Russian Federation. After an assiduous discussion the meeting had to recognize the impossibility of a Russian Federation.

At the Congress of the Cadet Party, which discussed the question several weeks later, M. Kokochkine in a remarkable report repeated all the arguments against a Russian Federation and made the party adopt a resolution clearly in favour of Great-Russian domination, as being the essential condition of the existence of the Russian State within its old frontiers.

All attempts made with a view to creating a Russian Federation have always begun among the Pan-Slavs, who also only see in such a Federation a means of deceiving the people. In the Ukraine the Germans established a ministry composed entirely of former Tsarist officials, who were to lead the Ukraine towards union with Russia. The Russo-Germans of the Baltic Provinces, under von Stryk, chief of the Baltic *Regentschaftsrat*, recently attempted a *coup d'État* against Latvia. This *coup d'État* was repeated on April 16th, 1919. These Russo-Germans, supported by the German authorities, also foresaw a restoration of monarchist Russia, of which the Baltic State would form a tributary or federal part.

Independent  
States.

There now remains the third solution to be considered, the creation of independent States upon the ruins of the Russian Empire. Civilised nations are in favour of such a principle, but they recognise that the Germany and Russia of tomorrow would never permit the existence of such independent States, that these States would come under the political and economic domination of Russia or Germany, and that they either could never exist independently or that they would create an economic barrier between Europe and the Orient.

Economic questions will be discussed further on, but here the purely political aspect will be considered. It is certain that a party of Russians and Germans will not forget past grandeur, and it is even possible that they try by force of arms to subdue the new States. But this question has two aspects: the Lettish and the European. An independent Latvia would at least have the means of defending herself, would have a voice in the political world, and would be able to make known her desire and submit her case. She is not alone in such a situation, for her interests are the same as those of the Finns, Esthonians, Lithuanians, White-Russians, Poles, Ukrainians, and Rumanians; all these peoples have reason to fear a Germany which is too strong and animated by a spirit of conquest and revenge. An alliance comprising a hundred million subjects of small nationalities is certainly of a nature to inspire Russian or German policy with a little prudence. And what would Europe gain by this policy? It would reduce the possibility of Russian and German aggression and hold the balance against the enormous masses of Russian and German peoples; it would establish a barrier between Russia and Germany, reaching from the Baltic to the Black Sea, the best guarantee for universal peace and the peaceful development of peoples. The independence of Latvia is one of the guarantees of Central European equilibrium.

These are reason which actuated the Letts in laying before the Great Powers a demand for the recognition of their independence.

### ECONOMIC LIFE.

There now remain the conditions of the economic independence of Latvia to be discussed.

With regard to the occupations of her inhabitants, Latvia was in a state of transition before the war: an increasing number of the population was passing from agricultural to industrial labour. In general the Letts resemble the Scandinavians in their occupations, as the following table shows.

	LATVIA. (1897.)	SWEDEN. (1900.)	DENMARK. (1901.)	Occupation of the population.
Agriculture.....	48.4	49.8	48.2	
Industry.....	21.4	20.9	25.2	
Commerce and transport.....	8.0	7.5	11.8	
Liberal professions.....	2.8	2.9	3.8	
Domestic service.....	13.5	10.8	8.3	
Other trades.....	5.9	8.1	2.7	

56.1 p. 100 of the population of Latvia can be said to live by agricultural labour, 17.9 p. 100 by industry, 5.5 p. 100 by commerce and transport. Therefore Latvia may be called an agricultural country.

The following table shows the division of land in Latvia, compared with Denmark and the Netherlands :

	POPULATION.	WASTE land.	FORESTS.	MEADOWS pastures.	ARABLE land.	TOTAL.
		Square kilometres.				
Denmark...	2,757,076 in 1911	6,742	3,312	11,535	17,380	38,969
Latvia.....	2,552,000 in 1914	6,978	21,184	17,992	17,145	63,299
Holland....	6,022,452 in 1911	8,888	2,735	12,683	9,880	34,186

These figures prove that Latvia could exist as a purely agricultural state.

There is relatively little waste land in Latvia. For every thousand hectares there are compared with Denmark :

In Latvia :

107 hectares waste land, 317 hectares forests, 294 hectares meadows, 277 hectares arable land, 5 hectares gardens.

In Denmark :

168 hectares waste land, 83 hectares forests, 316 meadows, 433 hectares arable land.

By applying the methods now in use in Denmark and Holland, Latvia could reduce the quantity of waste land and increase the revenues of the already cultivated land.

The forests represent the greatest wealth of the country, and one-third, or 21,184 km<sup>2</sup>, of Latvia are still covered by them. Only Russia, Finland and Sweden are comparatively richer as regards forests. On the other hand, Latvia has twice as much forest land as England, more than four times as much as Belgium, and more than seven times as much as Denmark. The State owns the largest part of these and draws large revenues from them.

The Lettish ports export timber not only from Lettish forests, but also from Russia, especially the north-western regions, whence it is brought by river. The favourable position of Latvia can be judged by mentioning the five most important rivers of the country : the Daugava (Duna), Gauja (Aa of Livonia), Leelupe (Aa of Courland), Venta (Windau), and Bartava (Bartau), which all rise in Lithuania or in Waldai and, with their tributaries, form more than 6,723 km. of navigable waterways.

**Cereals.**

The production of cereals is important in Latvia. In 1913 she produced 365,000 tons of cereals, while Finland only produced 168,000, Norway 46,000, Holland 319,500 and Greece 129,000 tons. The relative production is greater still. In Latvia 100 inhabitants produce 350 cwt. of cereals, while in France the same number produce 168.5 cwt., in England 95.6 cwt., in Germany 277 cwt. and in Belgium 150.7 cwt.

Latvia also produces 395,000 tons of potatoes, which is more than any other northern country excepting Sweden. She also produces 205,000 tons of oats and beans.

The cultivation of flax takes an important part in Lettish agriculture, especially in Livonia and Latgale, where the best qualities of flax are produced. Flax of Latgale always appeared on the market under the name of flax of Pskoff.

Flax.

Latvia exports flax, cereals, meat and dairy produce. From the annual production of cereals, not including the quantities needed for food and seed, there remain some 125,000 tons which are used for feeding cattle.

During the past years cattle rearing and milk production became the chief occupation of the population. In 1913, Latvia possessed 331,100 horses, over a million head of cattle, 1,048,600 sheep and 534,200 pigs.

Cattle rearing.

Latvia had more horses than either Belgium, Greece, Holland, Norway, Portugal, Finland, or Switzerland. For every hundred inhabitants in Latvia there were 15 horses, while in France there were 8.08, in Belgium 3.43, in Holland 5.43, in England 4.81, in Russia 3.2 and in Germany 6.9.

Horses.

The number of head of cattle has been given too low in the official Russian statistics; they put the figure of head of cattle for every hundred rural inhabitants of Russia at 29, and at 57 for Livonia and 61 for Courland. In France there are only 36.7, in Holland 33.7, in England 25.6, and in Belgium 25.

Cattle.

Lettish agriculture produces sufficient for local requirements as well as for export. In normal conditions, and on the basis of pre-war prices, Lettish exports exceeded 310 million francs (135 million for dairy produce, 45 million for meat, 35 million for flax, 60 million for timber, etc.).

The value of agricultural exports covers the costs of the imports (metal, minerals, cotton, etc.). And the other branches of commerce only make the balance yet more favourable to Latvia.

Fishing also plays an important part in the country, and especially deep sea fishing. Before the war, companies worked for the union of fisheries, for perfecting the work and for the preservation of their produce. The most common fish are: small Swedish herring, haddock, brill, salmon, and lamprey. Some 10,000 of the inhabitants are fishermen.

Fishing.

On January 1st, 1914, the ships in the ports of Riga, Libau and Windau, were as follows:

Merchant fleet.

114 steamboats.....	134,497 tons.
270 sailing boats.....	48,794 —
Total: 384 boats.....	183,291 —

About this time Russia had in her Baltic ports a merchant fleet consisting of 265 steamboats (218,558 tons), and 719 sailing boats (81.956 tons). Thus the Lettish ports had 61.04 p. 100 of the total tonnage of the Russian merchant fleet in the Baltic.

The Russian central legislative institutions have never understood naval interest and, in spite of protests, made laws which put all manner of obstacles in the way of

the development of the mercantile marine. But yet it was the largest in Russia, and even larger than that of various other countries, such as Belgium with 166,420 tons, Brasil with 191,310 tons, Bulgaria with 5,350 tons, and Portugal with 114,037 tons.

There were a large number of Lettish sailors in the mercantile marine of Russia. In 1911-12, 20.3 p. 100 of pupils in the naval colleges were Letts, although only 1.1 p. 100 of the population of Russia was Lettish. There is therefore no room for doubt as to the attention the Lettish State will pay to the development of the mercantile marine and to the important part which it will play in Lettish economic life.

Lettish ports.

The most important Lettish ports are on the eastern side of the Baltic. These are Riga, Windau (Ventspils), and Libau (Leepaja). Beside these, Latvia has four other ports of local importance : Ainaži, Salis (Salacgriva), Roja and Saka (Pavilosta).

Exports.

The importance of Lettish ports is proved by the fact that in 1912, 41 p. 100 of Russian exports passed through the Baltic ports, of which 30.9 p. 100 passed through Lettish ports, as is illustrated by the following table :

EXPORTS.	1912.
Riga.....	17.7 p. 100.
Windau.....	7.5 —
Libau.....	5.7 —
TOTAL for three Lettish ports.....	30.9 p. 100.
Petrograd and Cronstadt.....	8.1 p. 100.
Revel.....	1.5 —
Pernau.....	0.5 —

In 1912, the value of exports were for :

Riga.....	599,415,892 francs.
Windau.....	252,606,907 —
Libau.....	192,174,557 —
VALUE of exports passing through the three ports.....	1,044,197,356 francs.

The four smaller Lettish ports exported and imported merchandise for several million francs.

The value of merchandise passing through the three larger Lettish ports is greater than that of many other countries. In 1912, when these ports exported for 1,044.2 million francs, Sweden in 1911 only exported for 920.6 million, Spain for

962 millions, Denmark for 745.4 millions, Turkey for 414.3 millions, Norway for 400.1 millions and Finland for 319.6 millions. Before the war, only six great Powers and Belgium and Holland, exported more than Latvia. Italy exported only 1 1/2 times, and Austria-Hungary double, as much as Latvia.

Outside Europe, only the exports of the following independent States surpass in value those of Latvia : United States, Argentine, China, Japan, and Brasil. The exports of China, Japan and Brasil were nearly equal in value to those of Latvia : China in 1911 exported frs. 1,281.1 million worth, Japan frs. 1,154.3 million, and Brasil frs. 1,184.2 million.

The exports of Egypt and Mexico were greatly surpassed in value by the exports of Latvia and the whole of Australia only exported double as much as Latvia.

The enormous value of exports is explained by the fact that the great Lettish ports are the natural termini of Eastern Europe and of Asia. The railways leading to Riga and Windau start in Central Asia, and the merchandise sent to the markets of Western Europe are transported by the cheapest and most convenient routes passing through the Lettish ports.

These ports are used especially for export, but imports are also considerable. Thus, in 1912, the value of imports were as follows :

Imports.

Riga .....	388,893,336 frs.
Windau.....	74,927,652
Libau .....	85,766,640
	<hr/>
TOTAL .....	549,587,628 frs.
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In 1913, the imports reached a value of 615.8 million francs. The value of these imports surpasses that of the united imports of Serbia, Montenegro, Bulgaria and Greece for 1911.

The relative value of the imports of the Baltic ports for 1912 is as follows :

Riga.....	15.9 p. 100
Windau.....	2.9
Libau.....	3.3
	<hr/>
TOTAL of three Lettish ports .....	21.2 p. 100
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Petrograd.....	16.4 p. 100
Revel, Baltischport.....	8.9
Pernau.....	0.2

The Lettish ports carried on maritime commerce with all countries of the world, but especially with Great Britain, Germany, Belgium and the United States.



The following table illustrates the part played by the chief foreign States in the trade of the three large Lettish ports in the year 1912 :

	EXPORTS (in roubles).				IMPORTS (in roubles).				TOTAL MARITIME COMMERCE.	o/o.
	Riga.	Windau.	Libau.	Total.	Riga.	Windau.	Libau.	Total.		
Great Britain . . . . .	81,712,259	28,621,389	14,062,099	124,395,747	58,546,721	5,499,164	11,525,442	75,571,327	199,967,074	33.4
Germany . . . . .	42,964,588	24,811,021	11,946,335	79,721,944	53,048,889	7,898,531	7,938,907	68,886,327	148,608,271	24.9
Belgium . . . . .	33,130,838	13,714,005	3,521,075	50,365,918	5,609,448	2,440	586,694	6,198,582	56,564,500	9.5
France . . . . .	16,899,062	7,126,750	2,521,566	26,547,378	.	99,675	690,865	790,540	27,337,918	4.6
Holland . . . . .	12,676,959	6,570,301	10,280,079	29,527,339	7,542,167	177,763	1,743,879	9,463,809	38,991,148	6.2
Denmark . . . . .	4,378,564	11,021,632	3,102,131	18,502,327	8,985,782	1,866,565	391,222	11,243,569	29,745,896	5.0
Sweden . . . . .	4,328,107	1,972,486	991,393	7,291,986	5,914,198	2,415,708	411,894	8,741,800	16,033,786	2.7
America . . . . .	27,137,460	275,254	24,844,686	52,257,400	2,768,346	9,958,359	7,853,332	20,580,037	72,837,437	12.2
<b>TOTAL . . . . .</b>	<b>224,837,169</b>	<b>94,751,278</b>	<b>72,083,480</b>	<b>391,671,927</b>	<b>145,871,469</b>	<b>28,104,896</b>	<b>32,171,233</b>	<b>206,147,598</b>	<b>597,819,425</b>	

The following tables show the part played by the chief foreign States in the maritime trade of Riga :

	EXPORT.			IMPORT.		
	1906-10.	1911.	1912.	1906-10.	1911.	1912.
	p. 100.	p. 100.	p. 100.	p. 100.	p. 100.	p. 100.
Great Britain . . .	40.6	38.7	36.4	42.3	44.0	40.1
Germany . . . . .	20.1	20.6	19.1	37.5	35.2	36.4
Belgium . . . . .	13.8	13.7	14.7	3.6	4.6	3.8
France . . . . .	9.3	6.7	7.5	•	•	•
Holland . . . . .	5.7	7.1	5.6	4.2	4.2	5.2
Denmark . . . . .	1.8	2.0	2.0	5.5	3.9	6.2
Sweden . . . . .	1.9	1.6	1.9	2.5	3.9	4.0
America . . . . .	6.2	8.9	12.1	2.1	2.5	1.9

Great Britain . . .	64,037,848	72,248,909	81,712,259	48,253,525	64,827,076	58,546,721
Germany . . . . .	31,661,312	38,567,832	42,964,588	42,730,271	51,803,376	53,048,889
Belgium . . . . .	21,691,469	25,676,627	33,130,838	4,120,933	6,726,347	5,609,448
France . . . . .	14,675,519	12,593,240	16,899,062	•	•	•
Holland . . . . .	9,044,218	13,196,347	12,676,959	4,742,658	6,205,773	7,542,167
Denmark . . . . .	2,776,053	3,757,132	4,378,564	6,227,892	5,788,893	8,985,782
Sweden . . . . .	2,916,027	2,903,146	4,328,107	2,836,611	5,689,238	5,914,198
America . . . . .	9,821,663	16,535,850	27,137,460	2,356,741	3,632,787	2,768,346

Lettish maritime trade shows a constant tendency towards rapid development. The following are statistics concerning Riga, the largest port :

	IMPORTS.	EXPORTS.	TOTAL.
	Roubles.	Roubles.	Roubles.
1866-1870 . . . . .	14,419,305	31,024,129	45,443,434
1881-1885 . . . . .	27,442,544	56,692,925	84,135,469
1901-1905 . . . . .	85,089,269	110,716,583	195,805,847
1906-1910 . . . . .	113,954,545	157,534,863	271,489,408
1911 . . . . .	147,288,013	186,818,268	334,106,281
1912 . . . . .	145,871,469	224,837,169	370,708,638
1913 . . . . .	178,643,667	226,250,088	404,893,755

The rapid development in maritime trade, and especially in import trade, is due to the rapid development of Lettish industry, for which the necessary coal, raw materials, and partly manufactured goods are imported by sea.

Maritime trade will play a considerable part in the future of Latvia. The geographical position of Lettish ports assures them preponderance in the Baltic.

The other Eastern Baltic ports are too far distant from the centres of production, besides being frozen over during several months of the year. Lettish economic policy will have for its aim the directing of merchandise towards Lettish ports and the development of transit conditions by means of the administration and organisation of ports and ways of communication.

Latvia's  
industry.

In 1910, Latvia had 782 factories with 93,343 labourers, which produced merchandise to the value of 199,411,311 roubles.

Lettish industry can be divided into the following groups :

	NUMBER of factories	VALUE of production in roubles
Textile industry .....	52	22,681,793
Paper and manifiolding .....	79	9,585,342
Wood industries .....	99	18,485,324
Mechanical industries .....	115	38,818,994
Mineral industries .....	150	8,365,914
Organic substances .....	46	8,990,090
Alimentary products and tobacco .....	175	34,795,148
Chemical .....	39	43,025,320
Mining .....	13	6,630,236
Others .....	14	8,033,150
<b>TOTAL</b> .....	<b>782</b>	<b>199,411,311</b>

The total production was thus in 1910 valued at 533,8 millions francs.

Manufactured products were either used in Latvia itself, or sent to Russia and abroad.

At present Latvia's industry has been completely destroyed, for the Russians caused the evacuation of all factories before the country was occupied by the Germans. Part of the plant was either destroyed by the Russians, or lost in Russia.

The reconstruction of the great industry of Latvia is, however, possible by renewing machinery and by the reparation of industrial constructions. The majority of this industry is dependent on the country itself, and is favoured by the geographical situation of the industrial centres in regard to markets for manufactured produce and raw materials.

Great development of the timber trade can therefore be expected; until now only a small portion of available timber ever reached the markets. Sufficient textiles, paper, food, etc., could not be produced for the Lettish market alone. Metal industry found a market in Russia, and great quantities of chemical produce were exported.

Before the war, Latvia depended on Russia neither for raw materials nor for coal. These came to Riga by sea, and were heavily taxed by Russia. From this point of view the conditions of Lettish industry will in future be far more advantageous.

It is to be expected that in future Lettish industry will find markets in Russia, thanks to its superior technical organisation as regards management and a better trained and more intelligent *personnel* — which means higher production. In the metal industry, one labourer can produce 1,940 roubles worth of goods in Livonia, 1,470 roubles in Moscow, 1,000 roubles in Perm, and 690 roubles in Astrakhan.

The future of Lettish industry is also guaranteed by the high power at its disposal. There is sufficient hydraulic power available for the production of over

Hydraulic  
power. Peat.

one million Horse-Power annually. 600,000 HP will be derived from the Duna alone — 150,000 HP at a distance of only 60 km. from Riga.

The peat won in many parts of the country can easily replace coal in industry, and wood for domestic heating purposes. According to careful calculation, the peat-bogs are of such depth and quality that, if rationally exploited, they will be sufficient for Lettish industry for several centuries.

All other branches of national industry ensure large revenues to the country.

Apart from these great industries, domestic trades are very prosperous and produce goods for several million roubles.

Cooperative credit societies also play an important part in the economic life of Latvia. On January 1st, 1914, there were in the country :

Credit institutions.

259 Savings banks with a balance of.....	177,235,680 francs.
41 Credit societies with a balance of.....	211,917,674 —
13 Banks with a balance of.....	509,206,000 —
Total : 313 Institutions.....	<u>898,359,354 francs.</u>

In Courland and Livonia there is a bank for every 7600 inhabitants, as against one for every 13,300 in Russia. In Latvia the floating capital for every member of the society is 2,007 frs. and 93 frs. for each inhabitant, as against 200 frs. per member and 13 frs. per inhabitant in Russia. It must be noted that the activities of banking institutions in Latvia commenced 40 years ago, but their development began 15 years ago. The Lettish population, in spite of paying heavy taxes to Russia, was yet able to save relatively more than any other and less highly taxed people.

Besides these banking institutions, there were in 1913 a large number of other cooperative societies in Latvia. In the following, only the heads of families are members of the agricultural societies, in the societies of control only farmers can become members, and only societies can become members of Unions.

Cooperative societies.

	NUMBER of societies.	NUMBER of members.	CAPITAL francs.
Agricultural societies.....	192	17,590	13,503,074
Unions of agricultural societies.....	9	2,600	14,631,541
Cooperative food societies.....	151	21,780	8,676,482
Cooperative dairies.....	95	1,634	1,343,414
Control societies.....	223	5,220	
Societies for the use of machinery.....	149	12,250	

Before the war, economic activities were developing very rapidly, and the firm resolution to continue the interrupted work exist to a marked degree.

The State of Latvia owns a great number of railways, forests and estates.

**PROPERTY OF THE LETTISH STATE.**

**Railways.**

In 1914 Latvia owned twenty railway lines with a total length of 1720 km. Before the war the line Smiltene- Ainaži joined these lines, and the Ramocka-Sita railway was finished during the war. Apart from these, the Germans have constructed more than 1200 km. of strategic railway lines in Courland.

**Forests and estates.**

The forests and estates owned by the State in Courland and Livonia can be classed as follows :

Forests exploited directly by the State.....	456,474 hectares
Ground given on lease.....	91,481 —
Ground for special purposes.....	36,544 —
<b>TOTAL.....</b>	<b>584,499</b>

Reckoning the average value at 300 roubles a hectare, the total value of estates amounts to 175,349,700 Rbs., or £ 17,534,970, or 467,599,200 francs.

In 1914 the State gained from

Forests.....	2,142,883 roubles.
Estates.....	460,608 —
<b>TOTAL.....</b>	<b>2,603,491 —</b>

The ground for special purposes did not give revenues to the State.

**The State-budget of Latvia.**

Latvia has always been a country which paid high local taxes, and Russia drew high revenues from her. The following table shows the gross gains and expenditure made by Russia in Latvia. A country with such resources may well be regarded as independent from an economic point of view.

The following balance is based on figures given by the "Yearbook of the Russian Ministry of Finance for 1915." In it, Livonia comprised the Esthonian districts; Latgale and the Esthonian districts being equal in regard to their revenues, the figures here given for the old Livonia may be regarded as applying to Lettish Livonia and Latgale.

Revenues of the State of Latvia in 1913 :

Direct taxes.....	8,266,526 roubles.
Indirect taxes.....	43,291,013 —
Customs.....	9,258,940 —
State monopolies.....	25,400,490 —
Sale of State property.....	6,654 —
Repayment of advances by State.....	1,436,350 —
Various revenues.....	275,079 —
Arrears.....	2,016 —
<b>TOTAL of ordinary revenues.....</b>	<b>87,937,068 roubles.</b>
<b>Extraordinary revenues.....</b>	<b>117,508 —</b>
<b>GRAND TOTAL.....</b>	<b>88,054,576 roubles.</b>

State expenses were as follows :

Ministry of the Interior . . . . .	3,651,118 roubles.
Ministry of Justice. . . . .	1,868,420 —
Ministry of Finance. . . . .	8,490,024 —
Holy Synod. . . . .	512,727 —
Ministry of the Imperial Court. . . . .	11,403 —
Ministry of Instruction . . . . .	2,903,165 —
Ministry of Railways and communications. . . . .	20,568,418 —
Ministry of Commerce and Industry. . . . .	2,004,524 —
Ministry of Agriculture. . . . .	1,549,535 —
Treasury . . . . .	28,782 —
Ministry of War . . . . .	7,486,363 —
Ministry of Marine. . . . .	3,693,992 —
Control of State Accounts (Cour des Comptes). . . . .	286,115 —
Administration of State Credit . . . . .	106,823 —
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TOTAL ordinary expenses. . . . .	53,161,409 roubles,
Extraordinary expenses . . . . .	1,162,796 —
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GRAND TOTAL . . . . .	54,324,205 roubles.
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Even under Russian administration the net revenues from Latvia in 1913 amounted to 33,730,371 roubles.

In 1913 the revenues of Latvia thus amounted to 88,054,576 roubles or 234.7 million francs. The revenues of several other independent States are considerably less : Denmark only levied 132.7 million francs of taxes, Greece 143 million, Bulgaria 190.3 million, Norway 195.4 million and Finland 195.4 million. New Zealand (273.1 million) and Mexico (265 million) only gained slightly more by taxes.

What will be the economic relations between independent Latvia and Russia? It would be in the interests of Latvia to offer Russia all reasonable facilities for foreign commerce, that is to say :

**Economic relations with future Russia.**

- 1) To offer to Russia, as well as to all other countries, the cheapest possible conditions of transit in accord with the general economic needs of Latvia;
- 2) To establish a free port for transit trade between Russia and other countries;
- 3) To take upon herself a just proportion of the debts contracted by the Russian State before the beginning of the Bolshevik regime, provided that Russia pays indemnity to Latvia for the destruction caused by Russian troops, for requisitioning, and for property evacuated to Russia, as well as for the losses suffered by Lettish refugees in Russia; and also provided that Russia returns the State property of Latvia, such as archives, objects of art, etc.;
- 4) To offer the same conditions on the Lettish markets to Russia and other countries as they offer to Lettish produce on their markets, on a reciprocal basis.

**Conclusions.**

Having made clear the desires of the Lettish nation and the political reasons justifying the attitude taken by the Letts, and having described the natural resources of the country and the possibilities of political and economic independence, the Lettish Delegation, on behalf of the Provisional Government of Latvia, claims from the Peace Conference :

- 1) The recognition of Latvia as an independent and indivisible sovereign State;
- 2) The settlement of the fate of Latvia by the Peace Conference, in collaboration with the Lettish Delegates duly accredited and admitted to the Paris Peace Conference.

Economic relations with Latvia