LATVIA

GENERAL

Area ............ 65,791 sq. km.
Population (1925) ...... 1,844,805
Per sq. km. ........ 28.0

I

Army.

Composition of the Army.
The Latvian Army consists of four divisions. Each division comprises:
  3 infantry regiments,
  1 field artillery regiment.
Each field artillery regiment consists of:
  6 batteries, each of four guns.
The Army also comprises:
  1 cavalry regiment of 5 squadrons, including a machine-gun squadron,
  1 regiment of heavy artillery with 3 batteries, each of four guns,
  1 regiment of armoured trains (two trains),
  1 battalion of sappers,
  1 aviation detachment,
  1 electro-technical detachment,
  1 company of armoured cars (2 tanks and 3 armoured cars),
  1 motor transport company (30 drivers).

Recruiting System.
Military service is compulsory; it begins at the age of 20 and lasts until the age of 50. The length of service with the regular army is in theory 18 months, but in practice it is only 15 months. Men who have completed their service with the Regular Army are transferred to the army reserve for a period of 18 years, after which they remain in the territorial army until the age of 50.

Material in Service in the Units.
Rifles or carbines ............. 18,000
Pistols or revolvers ............. 1,500
Automatic rifles .............. 650
Heavy machine-guns ........ 212
Guns or howitzers (calibre less than 120 mm.) 114
Guns or howitzers (calibre of 120 mm. or over) 13
Tanks ........................ 2
Aeroplanes:
  Bombing machines ........ 13
  Reconnaissance machines ... 7
  Fighting machines .......... 6

Budgetary Effectives (1926).
Officiers, Medical officers and military officials 2,000
Instructors and men ........... 18,000
Total ........................ 20,000
Aviation ........................ 450
II.

Budget Expenditure on National Defence.

A. NOTES ON BUDGET PROCEDURE.

(1) The financial year covers the period April 1st to March 31st.

(2) The new law of June 30th, 1924, regarding the State budget, became effective with reference to the budget for 1925-26. The modifications under the terms of that law may be summarised thus:

(a) Receipts and expenditure are subdivided into ordinary and extraordinary. The last-named category of expenditure is more limited in scope than formerly and contains mainly capital expenditure.

(b) In the budget are shown the net surpluses or deficits, as the case may be, of public undertakings, State domain and fiscal monopolies, and not, as formerly, the gross receipts and expenditure.

(c) Under the old system a surplus on the closed accounts for a financial year was carried forward to the succeeding year. The new law prescribes that a surplus should be placed in a State reserve fund. Consequently the corresponding item on the expenditure side of the budget—expenditure from preceding years—is to be met out of the State reserve fund.

B. BUDGET EXPENDITURE ON NATIONAL DEFENCE.

<table>
<thead>
<tr>
<th></th>
<th>1923-24</th>
<th>1924-25</th>
<th>1925-26</th>
<th>1926-27</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Closed accounts</td>
<td>Estimates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of War</td>
<td>28.4</td>
<td>34.5</td>
<td>37.6</td>
<td>45.6</td>
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<tr>
<td>Index of expenditure on national defence</td>
<td>%</td>
<td>%</td>
<td>%</td>
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<tr>
<td></td>
<td>100</td>
<td>121</td>
<td>132</td>
<td>161</td>
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Notes. — The increase in the defence expenditure is explained by higher cost of living, new appropriations for military construction and increase of military stocks.

Appropriations for frontier police, amounting to 2.1 million lats in 1925-26, are included in those of the Ministry of the Interior.

Source.

The Latvian Economist.
## III.

### Production and Exchange of Goods of Importance for National Defence.

(P = Production; E = Exports.)

### I. AGRICULTURAL PRODUCTS

(A) Cereals.

<table>
<thead>
<tr>
<th></th>
<th>1921</th>
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<th>1923</th>
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<tbody>
<tr>
<td>Wheat P</td>
<td>21</td>
<td>26</td>
<td>45</td>
<td>43</td>
<td>59</td>
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<tr>
<td>Rye P</td>
<td>249</td>
<td>174</td>
<td>274</td>
<td>199</td>
<td>315</td>
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<td>Barley P</td>
<td>141</td>
<td>147</td>
<td>131</td>
<td>162</td>
<td>178</td>
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<tr>
<td>Oats P</td>
<td>244</td>
<td>264</td>
<td>238</td>
<td>271</td>
<td>304</td>
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</table>

(B) Potatoes.

<table>
<thead>
<tr>
<th></th>
<th>1921</th>
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<th>1924</th>
<th>1925</th>
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</thead>
<tbody>
<tr>
<td>P</td>
<td>674</td>
<td>675</td>
<td>578</td>
<td>676</td>
<td>750</td>
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### II. VARIOUS PRODUCTS

<table>
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<th>1925</th>
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</thead>
<tbody>
<tr>
<td>Flax (fibre) P</td>
<td>13.9</td>
<td>17.0</td>
<td>19.4</td>
<td>26.2</td>
<td>30.0</td>
</tr>
<tr>
<td>E</td>
<td>6.3</td>
<td>16.2</td>
<td>22.9</td>
<td>19.7</td>
<td>20.5</td>
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<tr>
<td>Wool P</td>
<td>10.9</td>
<td>10.9</td>
<td>10.9</td>
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1 Estimate.