LATVIAN-POLISH ECONOMIC RELATIONS
1918–1939

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Dr. oec.

Abstract

This article provides an overview of Latvian-Polish economic relations in the interwar period. Polish-Latvian relations date back as far as the 16th century when the last Grand Master of the Livonian Order and the archbishop of Riga requested the assistance of King Sigismund August of Poland to face a possible invasion by the Muscovite tsar. In the interwar period, economic relations between Latvia and Poland were mainly confined to foreign trade, although there were some investments in Latvia from Poland as well. Although Latvia declared its independence in 1918 (at the same time as the rebirth of Poland), trade with Poland did not commence until 1921 after the end of the Latvian War of Independence. It ended with the outbreak of WWII in 1939. Latvia’s foreign trade in relation to Poland was more or less regulated by the 1927 Provisional Commercial Agreement, the 1929 Commercial and Navigation treaty, as well as the 1938 Protocol of Tariff with Signature Protocol. Latvia’s main imports from Poland in the interwar period were coal and coke, textiles and textile products, metals and metal products, cereals (barley and rye), and flax seeds, whilst Latvia’s main exports to Poland were rubber products, paper and paper products, linoleum, fish and fish products, paint and paint products. In general, trade and thus economic relations were of marginal significance to both countries in the interwar period. On the other hand, Latvia had fairly intensive relations with Poland in the political, social and cultural spheres. This was mainly due to the fact of geographic propinquity, the large Polish minority in Latvia and differences over border regions.

Keywords: Latvia, Poland, economic relations, interwar period

Introduction

Polish-Latvian relations date back as far as the 16th century when the last Grand Master of the Livonian Order and the archbishop of Riga requested the assistance of King Sigismund August of Poland to face a possible invasion by the Muscovite tsar. In the final stages of Latvia’s War of Independence, a military alliance between Latvia and Poland against
the Red army in Latvia’s eastern region of Latgale was concluded from 1919 to 1920. Poland recognised the independence of Latvia on 27 January 1921 (the Polish note on the recognition of Latvia de iure is dated 31 December 1920 but was submitted to the Latvian Ministry of Foreign Affairs on 27 January 1921). In the interwar period, economic relations between Latvia and Poland were mainly confined to foreign trade, although there were some investments in Latvia from Poland as well. Although Latvia declared its independence in 1918 (at the same time as the rebirth of Poland), trade with Poland did not commence until 1921 after the end of the Latvian War of Independence. It ended with the outbreak of WWII in 1939. Latvia’s foreign trade in relation to Poland was more or less regulated by the 1927 Provisional Commercial Agreement, the 1929 Commercial and Navigation treaty, as well as the 1938 Protocol of Tariff with Signature Protocol.

A number of political and social factors complicated Latvia’s relations with Poland in the interwar period:

- Poland’s invasion in 1920 and later annexation in 1922 of the Lithuanian territory of Vilnius and surrounding district. Lithuania was in a state of war with Poland until 1938. This put paid to any hope of future political or economic alliances between the Baltic States and Poland in the interwar period.
- Latvia’s land reform of the 1920’s, which included the expropriation of large estates, also included estates owned by now Polish citizens (especially in the Latgale region). The original law did not allow for compensation for the expropriated land, only that the former owners could retain 50 ha. However, on 12 February 1929, in a confidential addendum to the 1929 Commercial and Navigation treaty, Latvia agreed to pay 5.4 million gold lats compensation to former landowners – Polish citizens.³
- Poland’s borders with Latvia.⁴ Latvia and Poland shared a 105 km long border, although until 1929 Poland claimed the Latvian town of Griva and six adjoining parishes. In 1929, the Polish government recognised the existing border as legal and a joint border commission for demarcating the border on the ground was established. It completed its work in 1938.
- Polish minority in Latvia.⁵ The Polish minority in Latvia was the fourth largest and was located mainly in eastern Latvia in the Latgale region. The Polish minority constituted approximately 3 per cent of Latvia’s population, most of whom (some 64%) lived in

⁴ For a detailed study of Latvian-Polish border issues, see Jēkabsons, Ē. (2003).
⁵ For a detailed study of Poles in Latvia, see Jēkabsons, Ē. (1996).
the cities. By 1929 there was much agitation against the Latvian government by the Polish minority in Latgale in relation to both the border and land compensation issues.

The above-mentioned political and social issues impinged to a greater or lesser extent on Latvia’s economic relations with Poland, particularly the Lithuanian issue as will be seen later.

Table 1. Selected Economic Indicators for Latvia and Poland in the Interwar Period

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Latvia</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (millions)</td>
<td>2 (1939)</td>
<td>34.9 (1938)</td>
</tr>
<tr>
<td>Share of urban population (%)</td>
<td>34.6 (1935)</td>
<td>30 (1938)</td>
</tr>
<tr>
<td>Share of agriculture in the labour force (%)</td>
<td>67.8 (1935)</td>
<td>64.9 (1931)</td>
</tr>
<tr>
<td>National Income (millions Ls)</td>
<td>1256 (1938)</td>
<td>15 400 (1938)*</td>
</tr>
<tr>
<td>National Income per capita (Ls)</td>
<td>628 (1938)</td>
<td>441 (1938)</td>
</tr>
<tr>
<td>Share of Agriculture in NI (%)</td>
<td>39.2 (1938)</td>
<td>32.4 (1937)</td>
</tr>
<tr>
<td>Share of Manufacturing in NI (%)</td>
<td>20.5 (1938)</td>
<td>27.9 (1937)</td>
</tr>
</tbody>
</table>

*Conversion of 1938 Polish zloty to Latvian lats (1 zloty ~ 1 lats)


As can be seen from Table 1, despite the enormous difference in population Latvia’s share of urban population in the interwar period was slightly higher than in Poland; the share of agriculture in the labour force was also slightly higher. National Income per capita was half as much again than that of Poland although the share of agriculture in NI was higher. Latvia’s share of manufacturing in NI was slightly lower. Essentially, Latvia’s economic structure per se was similar to that of Poland. However, there was an enormous difference in natural endowments. Poland had substantial mineral resources. It had large proven reserves of hard and brown coal, in addition to deposits of copper, sulphur, zinc, lead, silver, magnesium, and rock salt. There were also petroleum and gas deposits. Latvia, on the other hand, had only gypsum deposits, as well as extensive deposits of peat.

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7 For a detailed study of the peat industry in Latvia in the interwar period, see Karnups, V. P. (2016).
Latvian-Polish Economic Relations 1921–1939

Some Polish and Latvian trade had already been in existence prior to the formal signing of a trade agreement. In 1921, Latvia imported petroleum and petroleum products, textiles and metals and metal products from Poland whilst exporting rags and waste cloth, paper and paper products, fish and fish conserves to Poland. Similarly, in 1922, Latvia imported the same products, as well as agricultural and industrial machinery, and exported the same products as well as linoleum. By 1923, both imports from and exports to Poland were a regular feature of Latvian foreign trade.8

Latvia's foreign trade in the 1920s was based in large measure on a system of commercial and trade treaties. By 1929, Latvia had concluded commercial treaties with all important European states (except Spain), including a Commercial and Navigation treaty between Latvia and Poland in 1929. They provided the regulatory framework within which were stated the obligations undertaken by Latvia in its foreign trade relations with its trading partners up to 1931. Latvian trade treaties at this time provided generally for Most Favoured Nation (MFN) treatment for both parties and included the Baltic and Russian clause.9

Although Latvia had concluded a trade agreement in 1922 with Czechoslovakia, and a year later with Great Britain, it was not until 1925 that talks began with Poland in respect of concluding a trade agreement. This was due mainly to financial instability in Poland and it was not until the financial reforms of Władysław Grabski and the introduction of the new national currency – the zloty – that the first steps could be taken in respect of trade agreement between Latvia and Poland. The first draft agreement was presented by Poland to Latvia at the beginning of 1925. Discussions regarding the trade agreement lasted four years.

The main obstacle to signing an agreement turned out to be not of an economic, but of a political nature. The Polish side objected to including Lithuania and the USSR as in the Baltic and Russian clause. It would appear that Poles objected to including Lithuania mainly to allow Poland some freedom of action in relation to Lithuania (the original proposal included reserving for Poland the possibility to accord Lithuania preferential treatment from which Latvia would be debarred10), whilst

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8 In Latvian trade statistics, Polish imports and exports are grouped together with imports to and exports from Danzig – based on the assumption that most of the goods were of Polish origin.

9 The Baltic and Russian clause was in the nature of a geographical and regional restriction of the MFN principle and provided that the MFN principle does not apply to rights, preferences and privileges, which Latvia reserves or may reserve to Estonia, Finland, Lithuania and the Soviet Union.

objections to the inclusion of the USSR was based on fears of Soviet economic penetration of Latvia, which would in turn harm Polish interests in Latvia.\textsuperscript{11} The Latvian side categorically dismissed these objections and insisted on the full inclusion of the Baltic and Russian clause.

In the meantime, the Poles were able to take advantage of the 1926 British coal miners’ strike to find lucrative markets in the Baltic States and were able to substantially increase Latvian imports of coal from Poland (from some 12\% in 1925 to 54\% in 1926 of all coal imports). In November 1927, Latvia’s trade agreement with the USSR, based upon the Baltic and Russian clause, came into force and thus Polish objections to the inclusion of USSR became superfluous if Poland wanted to conclude a trade agreement with Latvia. Therefore, from an economic point of view it was in Poland’s interest to conclude a trade agreement. On 22 December 1927, a Provisional Commercial Agreement was signed. The issue of Lithuania was left open to be decided when the final trade agreement was agreed to.

Discussions regarding a final agreement continued through 1928 and 1929. Poland, after the failure of trade talks with Lithuania where the Lithuanians categorically refused to sign a trade agreement with Poland, finally decided that the objections to the inclusion of Lithuania made no practical sense.\textsuperscript{12} This enabled the trade talks with Latvia to end successfully and on 2 December 1929, the Treaty of Commerce and Navigation between Latvia and Poland was signed.

The treaty came into force 17 April 1931 and terminated the 1927 agreement. The general structure of the treaty was similar to all the other bilateral trade agreements concluded by Latvia. This included (Article 20) the Baltic and Russian clause and from the Polish side it contains a special clause relating to the conditions obtaining between the Polish and the German sections of Upper Silesia, which are considered beyond the scope the MFN principle. It also included two tariff lists (Article 8) – List A, which pertained to lowered customs tariffs for goods from Latvia to Poland and List B, which pertained to lowered customs tariffs for goods from Poland to Latvia. In 1938, List A was amended and the 1938 Protocol of Tariff with Signature Protocol was signed. The Signature Protocol refers the Latvian Chamber of Commerce and Industry at Riga being authorised to certify the invoices required for porcelain wares originating in and coming from Latvia, on the basis of most-favoured-nation treatment.

\textsuperscript{11} Ekonomists (1929), p. 330.
\textsuperscript{12} Ibid., p. 331.
Latvian-Polish Trade 1920–1939

Latvian-Polish trade in the interwar period fluctuated at very low levels. Latvia’s trade balance with Poland throughout the interwar period was passive with imports far exceeding exports. The value of Latvian imports from and exports to Poland can be seen in the Figure 1.

Figure 1. Latvia-Poland Imports and Exports 1920–1939

Latvia’s exports to Poland were low and reached their peak in 1926 at just over 8 million lats. The signing of the trade agreement in 1929 failed to stimulate Latvian exporters to the Polish market. The onset of the Great Depression further reduced Latvia’s exports to Poland, as most of these were manufactures. The tariff agreement of 1938 also failed to stimulate exports. Latvia’s imports from Poland, on the other hand, were much higher and reached their peak in 1930 at nearly 34 million lats. Thereafter, they dropped to very low levels, which continued until the beginning of WWII.

* The data for 1939 is for eight months only – to 31 August 1939.


Viesturs Pauls Karnups. Latvian-Polish Economic Relations 1918–1939
Latvian Exports to Poland

Latvia’s main exports to Poland were Fish and fish conserves (including “Šprotes”13), Rags and waste cloth, Paper and paper products, Linoleum, Paints, inks and paint compounds, and Seeds (flax and clover) (See Table 2). On examination of Table 2, it would seem that whilst there was no formal trade agreement, Latvian exports to Poland remained steady and slowly increased. After the coming into force of the trade agreement, Latvian exports fell dramatically and, coupled with the effects of the Great Depression, tapered off to minimal levels. This was also due in part to large fluctuations in Polish customs tariff policies during this period.

Linoleum was an important export to Poland in the 1920s. Linoleum in Latvia was produced by the Liepāja branch of the Swedish entrepreneurial family firm of Wicander (Linoleum Aktiebolaget Forshaga), the “Liepāja Cork and Linoleum Factory”, which before the First World War had produced linoleum for the Russian market. After the war the factory renewed production, but already in 1922 was subject to the control of an international linoleum cartel based in Britain. However, in 1927, the Wicander firm sold its Liepāja branch to another cartel, which was based in Germany. The factory completely ceased production in 1930 and linoleum disappeared from the foreign trade of Latvia and from exports to Poland.

Rags, waste cloth, and Paints, inks, and paint compounds enjoyed a small, but steady market in Poland throughout the interwar period. Fish and fish conserves (including “Šprotes”), and Seeds (flax and clover) fluctuated over the period, sometimes disappearing completely from exports to Poland. Paper and paper products was the only export product, which grew over time, particularly in the 1930s reaching its peak in 1936 at 4.7 million lats.

Latvia also exported small quantities of rubber goods, particularly rubber galoshes; superphosphate, cellulose, hides and furs.

Latvian Imports from Poland

Latvia’s main imports from Poland were Industrial and agricultural machinery, Coal, coke and briquettes, Cement, Metals and metal products (iron and steel sheets, pipes, tin, etc.), Petroleum and petroleum products and, surprisingly, Timber and timber products (including round timber, logs, plywood, etc.). The amounts and value of Latvia’s main imports imported from Poland in the interwar period are shown in Table 3.

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13 “Šprotes” or sprats are close relatives of anchovies, sardines and herrings. The Latvian style is to smoke and/or preserve them in oil.
Table 2. Latvia’s Main Exports to Poland

<table>
<thead>
<tr>
<th>Year</th>
<th>Fish and fish conserves (including &quot;Šprotes&quot;)</th>
<th>Rags and waste cloth</th>
<th>Paper and paper products</th>
<th>Linoleum</th>
<th>Paints, inks and paint compounds</th>
<th>Seeds (flax and clover)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>tonnes</td>
<td>Value (1000 Ls)</td>
<td>tonnes</td>
<td>Value (1000 Ls)</td>
<td>tonnes</td>
<td>Value (1000 Ls)</td>
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<tr>
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<td>140</td>
<td>43</td>
<td>1146</td>
<td>193</td>
<td>57</td>
<td>20</td>
</tr>
<tr>
<td>1924</td>
<td>740</td>
<td>244</td>
<td>810</td>
<td>136</td>
<td>0</td>
<td>0</td>
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<tr>
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<td>159</td>
<td>98</td>
<td>7</td>
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<td>0</td>
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<td>667</td>
<td>85</td>
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<td>114</td>
<td>741</td>
<td>146</td>
<td>10</td>
<td>131</td>
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<td>702</td>
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<td>15</td>
<td>159</td>
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<tr>
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<td>967</td>
<td>271</td>
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<td>51</td>
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<tr>
<td>1930</td>
<td>683</td>
<td>205</td>
<td>136</td>
<td>18</td>
<td>7</td>
<td>63</td>
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<tr>
<td>1931</td>
<td>0</td>
<td>0</td>
<td>101</td>
<td>15</td>
<td>46</td>
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<td>1932</td>
<td>0</td>
<td>0</td>
<td>272</td>
<td>136</td>
<td>179</td>
<td>65</td>
</tr>
<tr>
<td>1933</td>
<td>0</td>
<td>0</td>
<td>105</td>
<td>5</td>
<td>1228</td>
<td>278</td>
</tr>
<tr>
<td>1934</td>
<td>58</td>
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<td>155</td>
<td>11</td>
<td>712</td>
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<td>1935</td>
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<td>14</td>
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<td>12</td>
<td>1784</td>
<td>374</td>
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<td>1936</td>
<td>39</td>
<td>21</td>
<td>187</td>
<td>53</td>
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<td>1937</td>
<td>191</td>
<td>77</td>
<td>261</td>
<td>156</td>
<td>779</td>
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<td>1938</td>
<td>178</td>
<td>103</td>
<td>221</td>
<td>104</td>
<td>398</td>
<td>165</td>
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<tr>
<td>1939*</td>
<td>72</td>
<td>35</td>
<td>169</td>
<td>69</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* The data for 1939 is for eight months only – to 31 August 1939.

Table 3. Latvia’s Main Imports from Poland

<table>
<thead>
<tr>
<th>Year</th>
<th>Coal, coke and briquettes</th>
<th>Machinery (industrial and agricultural)</th>
<th>Cement</th>
<th>Metals and metal products (iron and steel sheets, pipes, tin, etc.)</th>
<th>Timber and timber products (including round timber, logs, plywood, etc.)</th>
<th>Petroleum and Petroleum products (including kerosene, petrol, distillates, lubricants, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>tonnes Value (1000 Ls)</td>
<td>tonnes Value (1000 Ls)</td>
<td>tonnes Value (1000 Ls)</td>
<td>tonnes Value (1000 Ls)</td>
<td>tonnes Value (1000 Ls)</td>
<td>tonnes Value (1000 Ls)</td>
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<td>1923</td>
<td>6876 209</td>
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<td>3040 120</td>
<td>115 330</td>
<td>77</td>
</tr>
<tr>
<td>1924</td>
<td>1586 61</td>
<td>127 167</td>
<td>16 1 90 21</td>
<td>2526 174</td>
<td>175</td>
<td>30</td>
</tr>
<tr>
<td>1925</td>
<td>61 805</td>
<td>1443 159</td>
<td>102 0 0 86 32</td>
<td>21722 600</td>
<td>424</td>
<td>111</td>
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<tr>
<td>1926</td>
<td>236 786</td>
<td>5518 300</td>
<td>200 63 2401 386</td>
<td>19941 538</td>
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<tr>
<td>1927</td>
<td>334 729</td>
<td>8270 238</td>
<td>273 8036 322</td>
<td>2688 454</td>
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<td>957</td>
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<tr>
<td>1928</td>
<td>394 028</td>
<td>7687 153</td>
<td>104 4362 171</td>
<td>2425 443</td>
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<td>127 12000 534</td>
<td>2470 557</td>
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<td>746</td>
</tr>
<tr>
<td>1930</td>
<td>520 777</td>
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<td>135 5957 258</td>
<td>1265 478</td>
<td>7359 274</td>
<td>4770</td>
</tr>
<tr>
<td>1931</td>
<td>447 372</td>
<td>8246 16</td>
<td>23 0 0 1146 350</td>
<td>6551 298</td>
<td>3790</td>
<td>341</td>
</tr>
<tr>
<td>1932</td>
<td>107 905</td>
<td>1780 90</td>
<td>106 0 0 140 42</td>
<td>212 43</td>
<td>1836</td>
<td>113</td>
</tr>
<tr>
<td>1933</td>
<td>82 856</td>
<td>1136 83</td>
<td>99 0 0 254 48</td>
<td>85 34</td>
<td>5742</td>
<td>318</td>
</tr>
<tr>
<td>1934</td>
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<td>156 767</td>
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<td>1936</td>
<td>52 356</td>
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</tr>
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<td>1939*</td>
<td>39 699</td>
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<td>0 674 20</td>
<td>0 0</td>
<td>3751 188</td>
<td>0</td>
</tr>
</tbody>
</table>

* The data for 1939 is for eight months only – to 31 August 1939.

There was a large increase in coal imports from 1926 due to the British coal miners’ strike as mentioned previously. This continued until the onset of the Great Depression when it steadily declined. The continued fall in coal imports from Poland was mainly due to the restrictions embodied in the 1934 Commercial Agreement between the Government of Latvia and His Majesty’s Government in the United Kingdom, which had fixed quotas on goods to be imported and contained stipulations relating to the import of iron, steel, coal, agricultural machinery, salt, creosote, etc. For example, Latvia had to import 70% of her coal from Britain. Thus, Polish coal imports fell from a high of 95.7% of all imported coal in 1931 to 4.7% in 1935.\(^{14}\)

Industrial and agricultural machinery imports from Poland were important in the 1920s, but became less so as Latvia’s own industries started to produce similar goods, as well as in the 1930s due to the Clearing agreement arrangement with Germany where Latvia exchanged agricultural and timber products for industrial and agricultural machinery.

Metals and metal products (iron and steel sheets, pipes, tin, etc.) were also important imports from Poland, and reached their peak in 1934 at 1.5 million lats. Thereafter, they tapered off dramatically as Poland required these materials for herself in preparation for war.

Poland was a source of petroleum products, especially kerosene, for Latvia throughout the interwar period. The importation of cement fluctuated throughout the period and disappeared from imports from Poland during and after the Great Depression. Cement imports reappeared in the late 1930s.

Most surprising was the level of Timber and timber products (including round timber, logs, plywood, etc.) imports. Latvia herself was a major exporter of timber and timber products – in 1936, 37.3% of all exports were timber and timber products.\(^{15}\) Most of the imported timber was later re-exported.

During the interwar period Latvia imported a whole range of Polish goods in small quantities including salt, books, caustic soda, hides and furs, textiles, and food products.

**Polish investments in Latvia 1925–1939**

Foreign capital in Latvia was mainly invested in banking, industry, transport and trade. By 1927, over 60% of the equity capital of all Latvian

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\(^{14}\) Latvijas ārējā tirdzniecība un transits (1935), p. XXVIII.
\(^{15}\) The Baltic States (1938), p. 161.
joint-stock banks\textsuperscript{16} was foreign owned, while foreign capital comprised 27.8\% of aggregate capital in insurance, 33.9\% in trade (commerce), 63.1\% in transport and about 50\% in industry.\textsuperscript{17} Many investors hoped that from Latvia they would be able to expand in the huge Russian market. Figure 2 provides an overview of Polish investments in the interwar period.

The peak year for Polish investments was 1931, when investments totalled 2 032 000 lats. Polish investments were mainly in the chemical industry sector (29\% of total Polish investments in 1931), closely followed by the food processing industry (25\%), then by ceramic industry (19\%), trade (12\%), real estate (8\%), textile industry (6\%) and some other minor investments.

The onset of the Great Depression steadily reduced the value of Polish investments in Latvia. From the peak in 1931 Polish investments were reduced to 1 555 000 lats in 1934. The decrease accelerated after 1934, when the nationalistic Ulmanis regime began to systematically reduce the amount of the foreign investment stock. Foreign investment

\textsuperscript{16} For a brief overview of banking in Latvia in the interwar period see Hiden (2000), pp. 133–149.

\textsuperscript{17} The Latvian Economist (1928), p. 24.
stock in the company capital of Latvian undertakings overall was reduced from 50.4% in 1934 to 25.4% in 1939 of which the reduction in industry was from 52.4% in 1934 to 31.9% in 1939, in commerce from 35.9% to 28.2% and in finance and banking from 62.4% to 9.7%. As can be seen in Figure 2, Polish investments had been reduced from the peak in 1931 to a mere 696 000 lats by 1938. The slight upturn in 1939 can probably be attributed to capital flight from Poland as the clouds of war gathered.

**Polish Agricultural Guestworkers**

A particular feature of Latvia’s economic relations with Poland was the employment of Polish guestworkers in agriculture. The growth of industry in Latvia in the interwar period meant there was an exodus of workers from the rural areas to the cities, especially Riga. Mainly because rural wages were much lower than industry wages and the fact that farm labouring was very hard work with long hours in season. This created a chronic shortage of agricultural workers in the countryside. As Latvia was still essentially an agricultural product producing country, this impacted directly on the Latvian economy as a whole.

Foreign agricultural guestworkers in Latvia were to fill the gap. If in 1933 there 12 404 registered foreign agricultural guestworkers in Latvia (of which 4678 were from Poland), by 1938, there were 27 532 registered foreign agricultural guestworkers in Latvia, of which 21 267 were from Poland. The shortage of agricultural workers in Latvia led to the signing of an agreement in 1938 between Latvia and Poland in respect of seasonal Polish agricultural workers, as well as a number of subsidiary agreements regarding specific issues thereto. Most Polish agricultural workers returned home at the end of the season. When the USSR and Germany overran Poland, the guestworkers were allowed to stay in Latvia if they wished.

**Conclusion**

In the interwar years, Latvian and Polish economic relations was mainly confined to foreign trade and investment although other forms of economic relations such as transit and tourism were also important. Nevertheless, despite geographical proximity and the advantage of shorter sea routes

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18 Finanču un kredita statistika (1939), p. 172.
19 For an overview of this problem in the 1930s, see Stranga, A. (2017).
than to Britain or Germany, the fact of similar export products made
significant inter-regional trade between Latvia and Poland unprofitable.
Latvia always had a negative trade balance in relation to Poland.

In 1929, when Latvian foreign trade reached its pre-Depression peak, Latvian exports to Poland made up 1.38% of total Latvian exports, and Polish imports made up 9.16% of total Latvian imports. However, in 1937, when Latvian foreign trade reached its post-Depression peak, exports to Poland were only 0.3% of total Latvian exports, and imports from Poland were only 2.0% of total Latvian imports. One suspects that the figures from the point of view of Poland would be significantly less. In other words, trade and thus economic relations were of marginal significance to both countries in the interwar period.

It is interesting to note that in 2018, Latvian exports to Poland totalled 591.5 million EUR or 3.4% of total Latvian exports (mainly metals and metal products, machinery, food industry products, timber and timber products). Whilst imports from Poland totalled 1486.3 million EUR or 8.1% of total Latvian imports (mainly machinery, chemical industry products, plastics and rubber industry products, food industry products, and metals and metal products).\(^{22}\) As in the interwar period, Latvia still has a negative trade balance with Poland.

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\(^{22}\) Data from the Central Statistical Bureau of Latvia.


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