AMERICAN JOINT RECONSTRUCTION FOUNDATION

REPORT OF ACTIVITIES

May 15th, 1924 – December 31st, 1926

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FOREWORD

The American Joint Reconstruction Foundation was incorporated under the English Companies Act on May 3rd, 1924, and commenced operations on May 15th of that year. It was called into being by the American Jewish Joint Distribution Committee (J. D. C.), New York, and the Jewish Colonization Association (I. C. A.), Paris. The task assigned to the Foundation by the two aforementioned organizations was to take over and carry on a part of the reconstruction activities which theretofore had been conducted by the two organizations separately, though in close and friendly cooperation. The object pursued by the J. D. C. and the I. C. A. in their reconstruction activities, which also governs the work of the Foundation, was to contribute to the reconstruction of the war-shattered Jewish economic life and to help improve the general economic condition of the Jews, principally in Eastern Europe, by encouraging and facilitating productive economic activity among the Jewish population.

The operations of the Foundation cover the following countries: Austria, Bulgaria, Czecho-Slovakia, Esthonia, Greece, Latvia, Lithuania, Poland, Roumania (Old Roumania, Bessarabia, Bukovina, Transylvania) and Turkey. The activities of the Foundation embrace several branches of constructive work, such as assistance in the reconstruction of Jewish owned buildings destroyed by war operations, promotion of agriculture among the Jews, and, to some extent, the maintenance and equipment of Jewish trade schools. But the greatest effort has been devoted to the furtherance of the cooperative movement among the Jewish population. In this field the Foundation has not confined itself to the financial support and moral guidance of the cooperative institutions organized or reconstructed by the I. C. A. and the J. D. C., but it has also made possible or helped in the creation of new cooperative institutions. In this connection special mention should be made of Old Roumania and Transylvania, where the Foundation has accomplished real pioneer work, having, in spite of great odds, established the first Jewish credit cooperatives in these territories.

The Foundation owes its financial resources entirely to its parent organizations — the J. D. C. and the I. C. A. The former organization transferred to the Foundation all the outstanding assets of its Reconstruction Department as well as other available funds which, though already appropriated for specific reconstruction purposes, were yet unexpended at the time the Foundation was created. In addition, the Foundation was endowed by the J. D. C. and the I. C. A. with substanial other funds for its own operations. Through subsequent agreements between the J. D. C. and the I. C. A. the resources of the Foundation have been considerably increased.

The financial resources of the Foundation were provided by the J. D. C. and the I. C. A., but the Foundation also succeeded in securing for the supervision of its work

the valuable cooperation of representative Jews of Central and Eastern Europe, who, along with the representatives of the J. D. C. and the I. C. A., are members of the Council of the Foundation. The following is the composition of this Council:

Delegated by the J. D. C.

Bernard Flexner	New York
Meyer Gillis	,, ,,
Herbert H. Lehman	,, ,,
Leonard G. Robinson	,, ,,
Felix M. Warburg	,, ,,
Peter Wiernik	,, ,,

Delegated by the I. C. A.

Dr. Julius Blau	Frankfurt a. M.
Leonard L. Cohen	London
Leonard G. Montefiore	,,
Franz Philippson	Brussels
Salomon Reinach	Paris
Dr. James Simon	Berlin
And	
Victor Alter	Warsaw
Dr. Leo Bramson	Berlin
Dr. Meyer Klumel	Warsaw
Berl Locker	Berlin
Dr. Simon Rosenbaum	Tel-Aviv, Palestine (retired in 1925)
Shaia Rosenboim	Warsaw
Dr. Albert Sondheimer	Frankfurt a. M.
Senator Rafal Szereszowski	Warsaw

Mr. Franz Philippson and Mr. Herbert H. Lehman have held the offices of President and Vice-President of the Foundation since its inception. The Executive Committee is composed of Mr. Philippson, Mr. Lehman and Senator R. Szereszowski. The management of the Foundation rests with Dr. Bernhard Kahn and Dr. Louis Oungre.

In publishing its first report, which covers the activities from its inception to December 31st, 1926, the Foundation hopes that the information therein presented will contribute to a wider knowledge and a more intimate understanding of some of the ailments of the Jews in Eastern Europe and of the remedies administered.

GENERAL INTRODUCTION

In order that the importance of the work of the Foundation (details of which will be found in the sections on the several countries) in the present economic situation of the Jewries of Eastern Europe and the participation of the Foundation in the general reconstructive activities of the Jewish masses may best be understood, it is desirable to present a brief picture of the position of the Jews in Eastern Europe. Although some considerations of a general nature likewise apply to Russian Jewry, the following statement is limited to a description of the status of the Jews in countries west of the Soviet Republic.

Before the war a third of the Jews of Eastern Europe were artisans, another third merchants, and the remaining third, a rather appreciable percentage of whom belonged to the class of so-called "Luftmenschen", earned a living from a variety of occupations. Even prior to 1914, however, the tendency on the part of the Jews to enter fields of productive activity became more and more marked. There were signs of Jewish penetration into industry, and the number of Jews employed in agriculture was on the increase. All in all, the condition of the Jews, crowded as they were in definitely circumscribed territories, was extraordinarily difficult. Nevertheless, immigration and the above-mentioned urge towards productivity, as well as the rapid growth of the capacity of the Russian domestic market and, as a result, the steady development of industry and trade in Poland and the western provinces militated towards the amelioration of the conditions consequent to the abnormal economic structure of Jewry and the compression of Jews in the Pale of Settlement.

The war, of course, had a terrible, indeed well-nigh catastrophic effect on the 7,000,000 Jews who lived in the former Russian Empire, in Galicia, and in Roumania. These effects were both direct and indirect, and a careful analysis proves that the indirect effects were almost as ruinous as the direct.

Under the head of direct effects comes first the destruction occasioned by the battles of the World War, the Polish-Russian War, the Civil War in Russia and the pogroms. The scene of these hostilities and misery included the whole Jewish district of Galicia and parts of Roumania, as well as the entire Czarist Pale. It should be clear that, as a predominantly city people, the Jews suffered relatively more than others from this wholesale destruction which raged over such large districts as Galicia, Wilna and Nowogrodek, and left hundreds of cities and towns desolate. The demolition of homes, bad enough in itself, was accompanied by the equally unfortunate ruin of the economic equipment of private families and communal institutions.

As another direct result of the war, the losses incident to the fall of national currencies deserve prominent mention. Here again Jews suffered more than their gentile neighbors. To be sure, certain sections of the populations extracted temporary

benefits from the orgy of inflation in Eastern European countries, but it is not open to doubt that the great mass of Jewry, urban and mercantile as it was (and during the inflation period large numbers of artisans turned to trade as a means of livelihood), suffered heavily. The peasant inhabitants of these lands, constituting 75 to 85 per cent of the non-Jewish population, remained in possession of gold values — farms, livestock, equipment, etc. — despite the disrupting effects of currency crises. The Jews, on the other hand, in view of the fact that their wealth existed in the form of money, stocks and bonds, were naturally hurt by every fluctuation, collapse and change of national currency.

We come now to the effects of the war which might be styled indirect, but which, we believe, influenced the position of Jewry possibly even more than the direct consequences of hostilities, and which, moreover, will continue for many years to come.

First among these is the erection of new national frontiers which cut off large countries in Eastern Europe from the Russian Empire, a homogeneous economic area, and the resultant loss of the Russian market, as well as the disappearance of Polish-Russian transit trade in which Jews played the leading role.

Further, there is the economic awakening of the Eastern European nations and, therefore, the expulsion of Jews from a number of economic positions.

As a final indirect effect we have the restriction of immigration. Although this last influence is a somewhat extraneous phenomenon due to the closing of countries to immigration, its serious significance to Jews and the economic hardships it wrought might well be commented on in this connection.

Without touching further on the emigration problem as such, it should be clear, nevertheless, that the diminution of emigration possibilities would in itself have created serious economic problems, even if the position of Eastern Jewry had remained otherwise unchanged. But, in view of post-war conditions, the United States immigration restrictions were most disastrous to the Jewish economic position.

Another indirect consequence of the war, which worked even greater harm on the Jews, was the closing of the Russian market by the separation of Poland and the small border states from the body of Russia. This divorce of two interdependent economic regions has caused considerable hardships to the Jews of Soviet Russia, but the damage occasioned to the Jews of Poland, Latvia, Lithuania and Bessarabia has been incomparably more catastrophic.

The western provinces of the pre-war Russian Empire, together with Congress Poland, were, in a very marked degree, the centre of industry and trade of the Czar's realm. The participation of the Jews in the handicrafts, the products of which found ready buyers in the Russian home market, was very appreciable. Moreover, Jews controlled the greater part of domestic trade and a large portion of export trade.

If the general economic stability of such comparatively small economic units as Lithuania and Latvia is at least doubtful, the economic existence of the Jews in these border states, which above all depend on the Russian internal market, is certainly threatened. The native, agricultural element of the population may suffer a reduction in its standard of living as a result of various circumstances, but to the Jews these circumstances represent a positive danger of economic extinction. These same factors aggravate the economic struggle of Polish Jewry, for it is the Jews of Poland who are most directly affected by the shutting off of the Russian market.

Industrial production and the work of commerce, created to meet the special requirements of the Russian market of 150,000,000 inhabitants, have not been and are not yet able to adjust themselves to the changed conditions. Poland's economic policy, moreover, based on the thesis that agrarian interests were all-important, brought industry and trade almost to a standstill by means of a ruinous system of taxation. The capacity of the home market does not create a sufficiently large demand for industrial products nor a wide enough scope for the trading activities of the Jewish population. Only a fundamental modification of these conditions could improve the lot of the Jews, who are so heavily represented in the fields of commerce and the handicrafts.

Similar conditions prevail in Roumania and in certain parts of Czecho-Slovakia, which are separated from their former markets of Hungary and Austria. The newly demarcated frontiers have, for political and nationalistic reasons, separated and torn asunder areas which had gradually grown together into economic units and which have not yet been replaced by other unions. Thus, for example, industries with a guaranteed market in Hungary have been ruined by being walled off from their customers. Bessarabia, too, blocked from the port it used for export purposes, has lost a large part of its foreign grain trade, in which Jews had played an important role. It is really difficult to exaggerate the detrimental effect of these political changes and the closing of the Russian market on the economic status of the Jews of the border states, great masses of whom depended for a livelihood on commerce and artisan work.

Perhaps these phenomena — and the restrictions on immigration — could be viewed somewhat hopefully as circumstances that will pass in the course of time, were it not for another development which was stimulated by the war, and which, as an apparently permanet process, justifies greater pessimism and concern. The reference here is to a tendency on the part of the nations of the East among whom the Jews live to force the Jews out of their economic positions. The movement has not yet reached full development. It would be false, however, to interpret this new competition and the numerous boycots of the Poles and the Ukrainians only as antisemitism. The truth of the matter is that we are faced with inevitable economic forces. Seen from the perspective of history, it is plain that for centuries the Jews in these countries performed necessary national-economic functions among predominantly agricultural peoples. But the penetration of capitalistic methods even into these farming countries raised up mighty economic rivals to the Jews, who, as the vanguard of capitalism, had acquired considerable strength and conquered pivotal economic strongholds.

The rapid growth of consumers' cooperatives and other cooperative institutions in the cities, but particularly in the rural districts where they mobilize the national intelligentsia for the economic struggle, as well as the accumulation by each country of national capital through the help of the several federal banks of issue and semi-official banks, are preparations for an assault upon the Jewish economic position, already weakened by the factors outlined above.

The effect of the growth of cooperatives in farming districts is to drive the Jews from the villages and small towns into the larger cities.

In the East, however, the consequences must be different, because the Jewish masses, escaping from the smaller settlements to the centres of population, meet great numbers of Jews without means of livelihood and an economically weak, but

numerically excessive reserve army of small traders, artisans and "Luftmenschen", whose possibility of economic improvement — except, of course, in individual cases — is negligible.

Only a very rapid development of industry and commerce, such as marked the years before the war in western countries, would make the reabsorption of a comparatively large part of these masses into the economic system possible.

While there is practical unanimity among Jewish economists regarding these causes of the Jewish economic difficulties in Eastern Europe (the usual analysis follows that given in this introduction), important differences of opinion crop up in the matter of the economic and social policies required by the Jewish economic organism. Most of these differences arise from one-sided views on the possibility of solving the permanent depression in which Eastern Jewry finds itself. But continuous study makes it ever clearer to the objective observer that the present condition of Jewry is enduring and many-sided and that, therefore, a single cure offering complete solution of this complicated problem is out of the question.

By and large, it can be said that the Jewish people in Eastern Europe will, by force of circumstances, be compelled to pass through a process of productivization, the first steps of which have already been taken. The national organism reacts to the visible symptoms of disease, it reacts to the outside economic influences sketched above, and creates an antitoxin within itself. There is no doubt that the obvious occupational restratification now in progress, of which colonization and the Jewish labor movement are component parts, is an important means, perhaps the most important means, of guaranteeing Jewish economic existence under the changed conditions of to-day. At the same time, emigration remains, just as in the antebellum period, a natural vent for the burdensome pressure under which Jewry suffers.

In this struggle for existence, however, the funds placed at the disposal of the Jewish economic structure by large foreign philanthropic organizations undoubtedly play an important role. These organizations come to the aid of the poor Jewish merchant and artisan in their fight with the economic world about them, in their battle for existence in the prolonged depression of the economic life of Eastern Europe, and assist them in rebuilding their houses or in reestablishing their affairs. But this assistance, the exact nature and importance of which will be discussed below, is only possible by organizing into cooperatives the petty merchants and the artisans, who will constitute the great majority of Jewry for a long time to come, no matter what happens.

The significance of the cooperative movement as one of the defensive measures of the Jewish economic organism can hardly be exaggerated. Only this social and cooperative union has been able to mobilize Jewish sources of aid abroad and, on the other hand, to cause governmental institutions to occupy themselves with Jewish conditions and intervene in behalf of the Jewish population, threatened with economic collapse.

Were not unusually powerful and healthy tendencies to resist the uninterrupted crisis of Jewish economy noticeable on all sides, we would be forced to regard the potentialities of the situation and, ipso facto, our own efforts with utter pessimism. But we believe that the tendencies outlined here will, in the course of time — and it may be a matter of decades — lead to a marked change in the occupational stratification of the Jewish masses in the East.

We likewise believe that stabilization of the economic situation in Eastern Europe, and, assuming a period of peace, the probable economic improvement which will take place in these countries in coming years, together with organized internal migration and emigration, will fortify the positions of the Jewish middle classes and enable them economically to carry on.

Within the limits of the problem here adumbrated, the Foundation directs its attention to the following three tasks:

1. The direct destruction of the war has, as we have indicated above, affected the Jewish population very severely. But in no case was the government of a newly established state able or willing to take care of the reconstruction of the demolished Jewish homes to any great extent. Without prejudicing the responsibility of these governments towards their citizens, the Foundation, as will be seen from the report appended, concentrated special attention on this task of rebuilding. Our activity in this field was, needless to say, particularly widespread in those districts which suffered most from the war, such as Wilna, parts of Congress Poland, Galicia, Bukovina and Lithuania.

If we regard this section of our work as a more or less closed chapter, it is not because we believe that all the destruction of the war period has been removed, but rather because it is our conviction — and on this point more will be said in another connection — that it is our duty only to begin a definite piece of work and to arouse the creative forces of the Jewish population and the governments, but not to assume the functions of a state for any prolonged period.

2. Post-war economic developments have cruelly expelled the Jewish worker from innumerable positions. Statistics show that the Jew is being forced out of the large plants into the small and smallest establishments. This embitters the struggle for the living wage and for the job. The proletariat itself strives to counteract these developments and it has been proved that an energetic, continous battle for the Jew's place in the general and state labor market may be crowned with some success. Apart from this, all organizational efforts of the working class contribute towards the strengthening of this important element in the Jewish population. The Foundation cannot and will not leave these efforts unaided.

We have endeavored, as far as possible, to support all cooperative efforts of the working class, which, especially in the consuming and purchasing cooperative movement, are quite appreciable. Convinced that we were thus awakening and encouraging forces which, for historical and psychological reasons, would not readily work together with the general cooperative movement, which is predominantly a credit cooperative movement, we placed relatively large funds at the disposal of the working class, in order to assist it in its difficult struggle for existence by geving credits to its own newly organized institutions. This was done, however, with the understanding that the producers' cooperatives, which only recently commenced to gather strength, were to be considered as an experiment.

3. The most important phase of the work of the Foundation, however, is the support of the credit cooperative movement in eastern countries. Although it is true that the increased supply of capital to the Jewish artisan, small merchant and large trader does not solve the difficult problem presented by the overmanning of certain occupations, it remains a fact, nevertheless, that in the serious

struggle for existence being waged between the Jew and his aggressive gentile competitor, the reinforcement of capital and credit basis, made possible only by cooperative unity, contributes much towards the buttressing and safeguarding of the economic status of these elements.

Organization along cooperative lines and the union of hitherto divided forces have enabled the Jewish artisan and smaller merchant and, to some extent, the Jewish trader to defend their interests with some prospect of success.

A few general remarks may be made here regarding the aims of the cooperative movement. Although the spirit and thought of mutual help is doubtless one of the inherited gifts of humane people, the so-called cooperative movement, as we understand it in modern life, has grown up only in the last eighty years. The complicated conditions of capitalistic development were necessary to create and to further the concentration of individual forces in a cooperative way. The thought of self-help has been very much developed by the trade unions and the labor parties. The first traces of cooperative movement in modern social life are to be found in the cooperative development which sprang up in England early in 1884. The history of the famous Rochdale Pioneers, and the splendid progress of the movement started by them is likewise the history of one of the most mighty economic movements of the world. Contemplating later the consumers' cooperative movement among the Jewish workmen in Poland, we will go into further details. It may be mentioned here that by organizing the buying power of so many individuals, and by saving for the buyer the immense profits which are earned by the selling agents, the power of the economically weaker classes has been extraordinarily strengthened. Furthermore, the educational value of the movement for the working class can hardly be overestimated. The main principles which were laid down by the Rochdale Pioneers, selling only against cash and the division of profits according to the purchases of each member, have, up to date, proved their extraordinary value for the gross and healthy development of the movement. The immense organization of the Cooperative Wholesale Society of Great Britian, the classical country of the consumers' cooperative movement, shows to what heights organized cooperative power may rise.

While the consumers' cooperative movement begins in the organization of economic forces, chiefly of the working classes, at the end of the economic process, by organizing the consumers, the old dream, especially in times of unemployment, was to create a new economic social life by organizing in a cooperative way the productive forces of the labor classes. The so-called national workshops, which were created by Louis Blanc after the February Revolution of 1848 in Paris, are the first step on the thorny path of producers' cooperation in modern times. Again and again such trials have been made, often unsuccessfully. The movement, however, showed a sounder and happier development when, by the growth of the consumers' cooperative movement, the latter was induced to take into its own hands the furtherance of its younger sister. There are many proofs of successful cooperation by these two kinds of cooperative movement.

The third kind of cooperative, which, up to date, is the most important one for the Jewish masses, as far as the work of the Foundation goes, is the credit cooperative. This movement grew up originally in the rural districts of Germany under the special agricultural conditions of Western Germany, but soon similar trials were made, also in the towns, in organizing the lower classes of artisans

and tradesmen into cooperative credit associations. The growth of the two movements is intimately connected with the names of the creators, Raiffeisen and Schultze-Delitzsch. While there were some differences in principle in the beginning, later developments caused them mostly to disappear. Nevertheless, each movement has conserved its special character, according to the structure of the groups organized.

The main thoughts and principles of the credit cooperative movement are, as in other cooperative movements, the organizing of many individually weak forces into a strong unit through the institution of the so-called liability (Haftsumme), and the mutual liability of all members of the cooperative movement. These cooperative kassas, as they were called, became worthy of credit and therefore enjoyed the credit of governmental institutions and private banks. It must, however, be mentioned that the question of governmental credit and aid is strongly discussed in the credit cooperative movement. While there is some belief that the government should support the endeavors of the lower classes to organize their financial powers (this opinion is especially spread among the kassas which are connected with agricultural interests), other tendencies are apparent to renounce entirely external aid, and to base the development of the movement only on its own force, or, at the most, by closer contact with private banks. In this connection a very important role is the function of the cooperative kassas and the movement as a whole as a "Geldausgleichsorganisation". The main thought is that, while certainly part of the members of a kassa will be forced to use credits granted by it, others may be in a position to deposit their savings with the kassa. In this way a certain balancing of money (Geldausgleich) may happen in any individual kassa, as well as among several kassas, and finally among all members of an entire association. The question, however, is in dispute, and to-day the opinion prevails that the "Geldausgleichsorganisation" of the credit cooperative movement would be incomplete without connection with the private money market. According to the conception of the economic school which sponsors it, this connection has to be established by a central bank for the cooperative movement. Such banks are established in most countries, with or without the participation of the government, and, generally speaking, are fulfilling their purpose quite well, although, of course, some dangers in connection with private business may occur.

The central executive and financial organs of the Jewish cooperative movements in the various countries, their banks and national unions, have made it technically possible for the Foundation to distribute very appreciable credits in a purposeful and business-like way, avoiding the losses and unnecessary friction that would arise were the Foundation to deal directly with the individual cooperatives. Not only do these central organs represent the just demands of all Jewish economic groups, but only through them has it been possible to call the attention of the respective governments to the efforts of the Jewish masses to help themselves and to receive state aid.

As the organization which in most of these eastern countries is still the largest creditor of the cooperative movement it is the function of the Foundation (1) to create a basis for the just consideration of the Jewish cooperative movement by the respective governments, and, in equal measure, (2) to encourage the gradual accumulation by the cooperatives of their own capital, as well as the attraction of savings accounts and deposits. These are the functions of the Foundation in the present transitional period of uncertain economic conditions in which Eastern Europe is now living.

This second function appears to us as the more important. And our intervention with such considerable sums as have been and, according to our plans, will, during the coming years, be placed at the disposal of the cooperatives, is justified only if, given stabilized currencies, the movement gains that confidence of the Jewish population which will bring it the deposits and savings of various economic elements.

To attract such extraordinarily significant capital held even to-day by the impoverished Jewish artisans and merchants, and to make possible its concentration and carefully planned redistribution are, in our opinion, the most important duties of the Foundation.

Thus, by strengthening their economic power the Foundation is helping the Jewish masses in their restratification and in the readjustment to prevailing conditions and to the inevitable modifications that the changing economic structure holds in store for the future.

AUSTRIA

GENERAL OBSERVATIONS.

In 1922, through the initiative of the Reconstruction Department of the J. D. C., a credit kassa was established in Vienna, which gave assistance to small traders and artisans through cheap credits. Apart from the difficult economic situation prevailing in the country at that time, the chief motive for the formation of this institution was the fact that some 70,000 refugees had taken up residence in Vienna. The only institution to which they could apply for assistance was a Gemilas Chesed kassa, which gave loans of 100,000 crowns at one per cent interest.

In November, 1922, the charter of the newly organized kassa, which took the form of a limited company, was officially approved. In February of the next year it commenced its activities.

The J. D. C. offered this credit kassa a loan of $ 20,000, provided the kassa itself raised one-fourth as much capital. The Reconstruction Department, furthermore, advanced a special one-time credit of $ 500 for the administrative expenses of the kassa for the first three years of its operation.

ACTIVITY OF THE KASSA.

As a result of the peculiar conditions then prevailing in Vienna, from 60 to 65 per cent of the borrowers were merchants, about 30 per cent artisans, and the rest intellectuals.

Membership of the Kassa.

1923	386 members
1924	734 „
1925	990 „
1926	1186 „

Principal Items in the Balance Sheet of the Kassa.

	1923	1924	1925	1926
		(In Shillings)		
Share Capital	28,500	33,970	36,490	38,310
Reserves	1,563	5,336	11,920	21,738
Net Profit	—	8,797	5,708	456
Total Local Funds	30,063	48,103	54,118	60,504
Foundation (J. D. C.) Credits	55,805	90,122	112,814	158,087
Total Working Capital . .	85,868	138,225	166,932	218,591

	1923	1924	1925	1926
		(In Dollars)		
Share Capital	$4,071	$4,853	$5,213	$5,473
Reserves	223	762	1,703	3,105
Net Profit	—	1,259	815	65
Total Local Funds	4,294	6,874	7,731	8,643
Foundation (J. D. C.) Credits	7,972	12,875	16,116	22,584
Total Working Capital . . .	$12,266	$19,749	$23,847	$31,227

In 1923 the average share capital per member was . .	$ 10.50
„ 1924 „ „ „ „ „ „ „ . .	$ 6.60
„ 1925 „ „ „ „ „ „ „ . .	$ 5.25
„ 1926 „ „ „ „ „ „ „ . .	$ 4.61

The Reserve Fund is accumulated by taking 20 per cent of the net profit.

The Special Reserve Fund is raised by adding a special 3 per cent charge to the interest paid by each borrower.

From the Net Profit, besides the 20 per cent for the reserve fund, a 5 per cent dividend on shares is paid.

Loans granted.

Year	Number of Borrowers	Shillings	Dollars	Average Loan Shillings	Average Loan Dollars
1923	281	130,740	$18,677	455	$66.50
1924	626	296,530	42,361	474	67.50
1925	795	375,145	53,592	471.88	67.41
1926	752	361,775	51,682	481.08	68.73

The number of borrowers increased 2¼ times in 1924 and 25 % in 1925. In 1926, however, there was a decrease of 5.4 %.

The loans were usually for a period of six months with endorsed promissory notes as security. When possible, however, borrowers were required to repay one-third of the loan at the expiration of three months. Loans of more than 500 shillings were granted only in exceptional cases. Interest, which amounted to 18 % per annum plus the extra 3 %, was paid in advance.

Comparison of Local Funds and Foundation Credits.

Year	Local Funds Dollars	Foundation Credits Dollars
1923	$4,294	$ 7,972
1924	6,874	12,875
1925	7,731	16,116
1926	8,643	22,584

The working capital per member was:

1923	$32
1924	$27
1925	$24
1926	$26

The Kassa's Income and Expenses:

	1925		1926	
	Shillings	Dollars	Shillings	Dollars
Income . . .	25,382.13	$3,626.02	21,743.92	$3,106.27
Expenses . .	18,501.52	2,643.07	19,694.63	2,813.52
Gross Profit .	6,880.61	$ 982.95	2,049.29	$ 292.75

In 1925, of the net profit of 5,708.93 shillings, 20 %, or 1,141.80 shillings, were set aside for the reserve fund, 2,700 shillings went to the special reserve fund, and a 5 % dividend on paid-up shares, or 1,824.50 shillings, was declared, making a total of 5,666.30 shillings and leaving a balance of 42.63 shillings. In 1926, likewise, 20 % of the net profit was set aside for the reserve fund, the balance being brought forward to 1927.

The following table shows the status of the kassa's own capital on December 31st, 1925, and December 31st, 1926:

	1925		1926	
	Shillings	Dollars	Shillings	Dollars
Share Capital . . .	36,490	$5,213	38,310	$5,473
Reserves	11,920	1,703	21,738	3,105
Net Profit	5,708	815	456	65
Total	54,118	$7,731	60,504	$8,643

While, from the above tables it may appear that the development of the kassa, especially with reference to the increase of its own capital, has been favorable, a considerable drop in the net profit for 1926 compared with 1925 must be noted. This may be explained by an increase in the administrative expenses, caused by the increased cost of living in Vienna and the writing off of some doubtful debts. It is, however, not to be doubted that the kassa has brought and will in the future bring considerable benefits to those sections of the Jewish population for which it was created.

Balance Sheet of Credit Cooperative in Vienna, December 31st, 1925.

(Shillings)

Assets		Liabilities	
Cash on Hand	230.63	Share Capital	36,490.00
Cash in Banks	43,147.10	General Reserve	2,438.96
Loans Outstanding . . .	168,355.50	Special Reserve	9,481.10
Overdue Notes	2,710.46	Credits from Foundation .	155,961.35
Furniture & Fixtures . . .	778.80	Employees' Insurance . .	800.00
		Unclaimed 1924 Dividends .	1,371.50
		Interest for 1926 . . .	2,970.65
		Net Profit	5,708.93
	215,222.49		215,222.49

Profit and Loss Account, December 31st, 1925.

(Shillings)

Debit		Credit	
Administrative Expenses . .	17,105.72	Balance Net Profit Brought Forward from 1924 . .	39.36
Taxes and Fees	1,395.80	Interest Income	25,382.13
Bad Debts Written Off . .	1,160.00	Moving to New Office . .	35.50
Depreciation of Furniture and Fixtures	86.54		
Net Profit	5,708.93		
	25,456.99		25,456.99

Balance Sheet of Credit Cooperative in Vienna, December 31st, 1926.

(Shillings)

Assets		Liabilities	
Cash on Hand	1,029.59	Share Capital	38,310.00
Cash in Banks	42,631.15	General Reserve	3,882.10
Loans Outstanding . . .	170,926.50	Special Reserve	17,855.44
Sundry Debtors	8,875.35	Credits from Foundation .	158,087.10
Furniture and Fixtures . .	700.00	Employees' Insurance . .	800.00
		Unclaimed Dividends . . .	2,723.00
		Interest for 1927 . . .	2,049.00
		Net Profit	455.95
	224,162.59		224,162.59

Profit and Loss Account, December 31st, 1926.

(Shillings)

Debit		Credit	
Administrative Expenses . .	18,803.23	Balance Net Profit Brought Forward from 1925 . .	42.63
Taxes and Fees	891.40	Interest Income	21,743.92
Bad Debts Written Off . .	1,557.17		
Depreciation of Furniture and Fixtures	78.80		
Net Profit	455.95		
	21,786.55		21,786.55

BULGARIA

In 1924 the B'nai B'rith lodge of Sofia organized a loan kassa with 550,900 lewa, raised among its members, as capital.

The members hold shares as follows;

5	members	hold	up to		10	shares	each
7	,,	,,	from 11	to	20	,,	,,
28	,,	,,	,, 21	,,	30	,,	,,
47	,,	,,	over		30	,,	,,

The activity of this institution is conducted on a small scale. From its inception to the end of 1925 only 96 loans were granted, ranging from 10,000 to 150,000 lewa. In addition to endorsed promissory notes, bonds and other securities are sometimes given as collateral.

No one doubts the need of a cooperative in Sofia. The entire Jewish population of Sofia, with the exception of a few big merchants and industrialists, consists of small traders and artisans, who, because of the prevailing economic crisis, are not able to approach a regular financial institution for credit, and must therefore submit to usurers, who frequently exact 4 to 5 per cent interest a month.

The management of the kassa applied to us for credits. Before agreeing, we ordered an investigation by one of our representatives, who reported that, although the institution was quite praiseworthy, it was not a cooperative, and that, instead of working for the entire Jewish population, it was actually the financial organ of the B'nai B'rith and assisted members of the lodge only.

Under these conditions it was naturally impossible for the Foundation to grant a credit. We insisted that the kassa modify its character or reorganize entirely. A cooperative charter was drafted at a meeting at which the Foundation and Sofia Jewry were represented.

We promised an appropriation as soon as the charter was legally approved and the cooperative thus established. This was accomplished towards the end of 1926, so that we may consider this kassa organized, and a credit of $ 10,000, which has been assigned, will be placed at its disposal in the near future.

CZECHO-SLOVAKIA

GENERAL OBSERVATIONS.

As in other countries, so in Czecho-Slovakia, the J. D. C., and later the Foundation, devoted most attention to those parts of the land in which the greatest number of Jews who had suffered from the war and its aftermath lived. In this case it was the regions known as Sub-Carpathia and East Slovakia.

These districts are totally different in their economic and social character from the neighbouring territories of Bohemia, Silesia and West Slovakia. In contrast to these, which are well supplied with natural resources (coal, iron, etc.), and whose industries are therefore well developed, whose agriculture is intense and scientific, and which are culturally on much the same level as the countries of Central Europe, East Slovakia is poor and backward and the situation is even worse in Sub-Carpathia.

Prior to the World War, Sub-Carpathia, now a small district of the Czecho-Slovakian Republic stretching towards the East, belonged to Hungary. The soil of the province is poor and there is practically no industry. The agricultural production is extremely limited and methods of cultivation are obsolete and wasteful. The province is mountainous and rich only in forests. The population was never able to support itself from its own crops, and many had to go into the Hungarian plains to work as day laborers.

The cultural level of the Ruthenian majority, as well as of the Jewish inhabitants, is not very high. According to statistics, 85 per cent of the Ruthenians and 60 per cent of the Jews were illiterate at the time of the acquisition of Sub-Carpathia by the Czechs. (Since then these figures have been improved). This is explained by the indifference of the Hungarian authorities to this part of their country.

The same lack of interest also accounts for the sad economic position of the Jews before the war, which expressed itself in a strong urge to emigrate to America.

The following factors must be taken into consideration in discussing the situation:

1. The Jewish population of Sub-Carpathia numbers 100,000 souls, or one-sixth of the total population. They live in compact masses in cities and villages. The number of Jewish inhabitants in Mukacevo, for instance, is 14,000 out of a total population of 22,000. Of the 2,000 residents in the village of Ternovo, 1,200 are Jews. This concentration is an important factor in the situation.

2. This district was in the zone of operations during most of the war and many Jews lost their entire wealth.

3. When the border was practically closed as the result of the high duties imposed, the Jews, whose chief occupation was petty trade, lost their contacts with Hungary and Poland. Sub-Carpathia is a frontier country in the true sense of the term, for it is contiguous with Hungary, Roumania and Poland. The connections

lost have not been counter-balanced by new ones, for the Jews of Sub-Carpathia have as yet not even established close relations with the Jews of the rest of Czecho-Slovakia. The obstructions are serious individual, spiritual and religious differences.

4. Jewish traders were driven from business by newly organized enterprises, conducted by trained and educated Czech merchants, who were assisted by numerous credit institutions. This was particularly true in the villages, where Jewish trade almost entirely disappeared as a result of the withdrawal of licenses, the further granting of licenses to non-Jews, and the establishing of cooperatives. The effect of this development was the migration of Jews from the villages to the cities, to the detriment of the Jews already suffering under the fierce urban competition.

The Jewish artisans suffered, on the one hand, from lack of capital for the purchase of new tools and raw materials to replace what had been destroyed in the war, and, on the other, from the serious competition of the numerous Czech industrial undertakings, which were naturally in a position to produce more cheaply. (In Hungary there had been little industry and the position of the artisans was consequently much better).

5. An independent Czech currency was introduced and the conversion of the old currency into the new caused a scarcity of money. This lack of capital and the impossibility of obtaining credit, except at high rates of interest, brought business to a standstill and increased unemployment.

6. The situation was further complicated by such disturbing factors as the political and religious conflicts between Orthodox, Reformed, Zionists, adherents of the Wonder-Rabbis and other Jewish factions.

7. Finally, there was the abnormal occupational distribution of the Jews of Sub-Carpathia, as indicated below:

	No. of Families	No. of Souls	Per Cent
Farmers & Agricultural Laborers	2,500	12,500	12.5
Journeymen	2,000	10,000	10.0
Drivers	1,200	6,000	6.0
Artisans	1,500	7,500	7.5
Petty Traders	3,000	15,000	15.0
Merchants	1,200	6,000	6.0
Professionals	600	1,500	1.5
Rabbis, Teachers, Slaughterers	1,200	6,000	6.0
Landowners, Industrialists, etc.	100	400	0.4
Inn Keepers	300	1,500	1.5
	13,600	66,400	66.4

The remaining 33.6 per cent consisted largely of people without any definite occupation.

The widespread economic crisis was aggravated in 1922 and 1923 by the financial policy of the government, which resulted in a sharp rise in the value of the Czech crown and a catastrophic shortage of capital.

At this very difficult juncture the Reconstruction Department of the J. D. C. came on the scene and took the initiative in organizing cooperatives to help the pro-

ductive elements and those whose economic existence it was possible to maintain. The purpose was to assist people who needed only working capital for the fortification of their economic positions.

At this time there were no Jewish credit cooperatives in the entire region.

The moment of the inception of this work was an extremely happy one, because those who could persist economically had come through the worst of the crisis, and it was therefore clear who needed help most and who could be helped.

After two and a half years of activity the cooperatives showed no losses. Assisted by the J. D. C., which placed considerable capital at their disposal, four kassas were established in East Slovakia in 1923, and ten in Sub-Carpathia. In 1926 another kassa was founded in Uzhorod, which received a credit of $5,000.

Four of the Sub-Carpathian cooperatives were founded in towns and six in villages. Although the cooperatives in the towns performed an important social function, the fact remains that the service of the rural cooperatives was much greater. In the towns it was possible to obtain credits elsewhere, though the terms were very unfavorable, but this possibility did not exist at all in the villages, which were for the most part distant from urban centres. The village cooperatives likewise performed the important function of partially checking the harmful migration of Jews to the towns.

The Jewish credit cooperatives, founded as they were on a broad social basis, furthered the Jewish esprit de corps and contributed towards communal unity. The tendency to save was awakened among the masses and savings deposits grew to a handsome total, notwithstanding the serious economic situation. The detrimental effects of the scarcity of capital were somewhat assuaged.

The tables on pages 24—27 will give an impression of the development of the cooperatives from the date of their organization and show the occupational classification of their membership.

Loans were usually granted for a period of three months, the maximum sum being 5,000 crowns. In view of the fact that economic conditions make it impossible for most of the borrowers to repay their loans within this time limit, however, prolongations must generally be made.

Three of the larger cooperatives may in exceptional cases exceed the loan maximum of 5,000 crowns. These kassas, which hold heavy deposits, are permitted to employ up to 25 per cent of their own capital for loans of 10,000 crowns. The highest rate of interest is 12 per cent.

The records of the kassas show that all classes of the population were assisted by the granting of credits.

It will be seen from the balance sheets appended to this section that during 1925 and 1926 the cooperatives developed more quickly in the cities than in the villages, as was to be expected. The village cooperatives must therefore become the objects of special attention and be helped still further towards safe existence.

The work of the kassas is proof that the J. D. C. and, after its liquidation, the Foundation accomplished very much in Sub-Carpathia and East Slovakia, where the advantages and the importance of the cooperative movement were previously completely unknown to the Jewish population.

OCCUPATIONAL DISTRIBUTION OF

Occupation	Number Beginning 1923	Per Cent	Number Close 1923	Per Cent	Increase 1923
Artisans	808	15.2	889	15.8	81
Petty Traders	1175	22.1	1220	21.8	45
Agriculturists	721	13.5	766	13.7	45
Merchants	1142	21.4	1214	21.7	72
Miscellaneous	1483	27.8	1511	27.0	28
Total	5329		5600		271

PRINCIPAL ITEMS OF THE BALANCE

	At Time of Organization (Crowns)
Share Capital	480,600.00
Reserves	—
Deposits	—
Savings Deposits	—
Balance Net Profit Brought Forward	—
Net Profit	—
Total Local Funds	480,600.00
Foundation (J.D.C.) Credits	1,700,000.00
Total of Balance Sheet	—

	At Time of Organization (Dollars)
Share Capital	$ 14,135.29
Reserves	—
Deposits	—
Savings Deposits	—
Balance Net Profit Brought Forward	—
Net Profit	—
Total Local Funds	14,135.29
Foundation (J. D. C.) Credits	50,000.00
Total of Balance Sheet	—

THE MEMBERSHIP OF THE KASSAS

Number Close 1924	Per Cent	Increase 1924	Number Close 1925	Per Cent	Increase 1925	Number Close 1926	Per Cent	Increase 1926
1128	15.8	239	1253	15.5	125	1594	16.1	341
1621	22.7	401	1849	22.9	228	2130	21.6	281
967	13.6	201	1175	14.5	208	1523	15.4	348
1544	21.6	330	1736	21.5	192	2400	24.3	664
1878	26.3	367	2065	25.6	187	2235	22.6	170
7138		1538	8078		940	9882		1804

SHEETS OF THE COOPERATIVES

Dec. 31st, 1923 (Crowns)	Dec. 31st, 1924 (Crowns)	Dec. 31st, 1925 (Crowns)	Dec. 31st, 1926 (Crowns)
821,956.00	1,318,421.50	1,637,939.50	2,030,529.00
—	24,699.78	70,279.04	135,748.13
670,357.12	2,788,123.70	3,957,375.94	5,774,924.68
—	—	—	30,596.11
—	15,258.02	—	—
18,560.00	111,558.14	170,057.79	213,108.61
1,510,873.12	4,258,061.14	5,835,652.27	8,184,879.53
2,881,000.00	4,365,049.98	5,201,857.56	5,151,039.36
4,617,333.12	9,660,518.67	12,185,876.00	14,919,150.75

Dec. 31st, 1923 (Dollars)	Dec. 31st, 1924 (Dollars)	Dec. 31st, 1925 (Dollars)	Dec. 31st, 1926 (Dollars)
$ 24,175.18	$ 38,777.10	$ 48,174.69	$ 59,721.44
—	726.46	2,067.03	3,992.59
19,716.39	82,003.64	116,393.41	169,850.73
—	—	—	899.09
—	448.77	—	—
545.88	3,281.12	5,001.70	6,267.90
44,437.45	125,237.09	171,636.83	240,731.75
84,735.29	128,354.41	152,995.81	151,501.16
$ 135,803.92	$ 284,132.90	$ 358,408.12	$ 438,798.55

The Share Capital Averaged	Foundation Credits Averaged
1923 $4.32 per Member	1923 $15.13 per Member
1924 $5.43 ,, ,,	1924 $17.98 ,, ,,
1925 $5.96 ,, ,,	1925 $18.94 ,, ,,
1926 $6.04 ,, ,,	1926 $15.33 ,, ,,

NUMBER AND

	Number 1923	Amount 1923 (Crowns)
Artisans	246	633,962.52
Petty Traders	440	1,416,552.08
Agriculturists	234	687,366.00
Merchants	224	765,952.57
Miscellaneous	145	369,300.00
Total	1289	3,873,133.17

Loans Totalled			
1923	3,873,133.17 Crowns		
1924	7,728,537.15 ,,	99.5%	more than in 1923
1925	8,536,021.53 ,,	10.4%	,, ,, ,, 1924
1926	10,341,146.60 ,,	21.1%	,, ,, ,, 1925

Loans Averaged	
1923	$86.47
1924	$86.72
1925	$81.03
1926	$82.29

The Total Working Funds Averaged	The Ratio of Foundation (J.D.C.) Credits to Local Funds was
1923 $23.07 per Member	1923 1 : 0.52
1924 $35.53 „ „	1924 1 : 0.98
1925 $40.19 „ „	1925 1 : 1.12
1926 $39.69 „ „	1926 1 : 1.51

AMOUNT OF LOANS

Number 1924	Amount 1924 (Crowns)	Number 1925	Amount 1925 (Crowns)	Number 1926	Amount 1926 (Crowns)
437	1,028,420.52	483	936,283.00	684	1,206,364.86
722	2,108,954.12	668	1,783,971.92	842	2,118,228.29
462	1,493,650.00	547	1,519,957.50	672	1,830,914.80
580	2,117,828.99	834	3,297,879.35	1053	4,125,047.05
379	979,683.52	417	997,929.76	445	1,060,591.60
2580	7,728,537.15	2949	8,536,021.53	3696	10,341,146.60

The Number of Loans Increased as Follows

1923 . . . . . 1,289 Loans
1924 . . . . . 2,580 „

Increase 1,291 „ or 100.2%

1924 . . . . . 2,580 „
1925 . . . . . 2,949 „

Increase 360 „ or 14.3%

1925 . . . . . 2,949 „
1926 . . . . . 3,696 „

Increase 747 „ or 25.3%

UNION OF JEWISH COOPERATIVES.

The Reconstruction Department had here, as in other countries, maintained a permanent office to control and supervise the individual cooperatives. When this office was liquidated, it became necessary to establish a local organ to carry on its functions. Accordingly, the Union of Jewish Credit Cooperatives of Sub-Carpathia and East Slovakia was founded and its charter legalized by the government. It is directed by a council, consisting of representatives of the cooperatives, and by a managing board. Its headquarters are in Mukacevo.

In view of the fact, however, that the kassas in this country were not in a position to cover the administrative expenses of the Union, the Reconstruction Department was forced to give the Union a subvention. This subvention did not suffice for the purpose, and in 1924 the Foundation granted another subsidy of $1,000 for 1924-25, which was 50 per cent of the Union's annual budget. In 1925-26 a subvention of $500 was made.

The Union has done its work well and has contributed very appreciably to the satisfactory development of the cooperatives.

At the end of 1925 and during the course of 1926 a considerable sum was due on instalments, which, we are pleased to report, were punctually paid. On the other hand, the situation of the kassas, and especially of those in the villages, was much affected by such considerable repayments, amounting to a total of $15,000, and the granting of loans to individual members had to be diminished. Under these circumstances, we agreed to put at the disposal of the Union the amount of the repayments, but in the form of short-term credits. The essential condition, however, for the granting of these short-term credits was that the kassas' own means should increase, especially the savings deposits and the share capital.

The Union did good work in this direction by means of propaganda and instruction of the kassas. On our part, we assigned a subvention of $300 for the furtherance of this particular activity.

HOUSING RECONSTRUCTION.

Long-term credits for the rebuilding of homes were granted in the district of Marmorosch-Zypa, in the areas of the cooperatives of Mukacevo, Jasina and Volovoje, and in the Prassova district in Slovakia, where many settlements had been destroyed by the military operations. This activity probably constituted one of the most important phases of the cooperatives' work, because through it the neediest Jewish families were helped in the construction of decent dwellings and in the resumption of profitable pursuits. All in all, 250 houses were rebuilt and repaired. The total expenditure for this activity amounted to 812,000 crowns, or about $27,000.

Loans of 5,000 to 6,000 crowns were given, payable in one to five years. The rate of interest was 8 to 10 per cent.

The instalments due are coming in satisfactorily, although in certain cases extensions of payment have been necessary.

WORKSHOPS.

The Reconstruction Department of the J.D.C. realized the necessity of systematic training and the occupational restratification of the Jewish population, and accordingly opened five workshops in Sub-Carpathia, which were later taken over and

subventioned by the Foundation. In these institutions 200 children were educated to be qualified workers.

Although the workshops, which partook of the nature of schools, were faced with numerous difficulties and could not live up to expectations, their great moral success was undeniable. They created a revolution in the attitude of Jewish youth towards education. Thanks to them the objection to manual labor is becoming weaker and weaker, and the number of applicants for admission to the workshops is increasing. Special attention is paid to this phase of the activity, which aims at the occupational redistribution and productivity of the Jewish masses.

The workshops, the supervision of which is outside of the scope of the Foundation's activity, have been transferred to the Child Care Department of the J. D. C., which is particularly concerned with trade-school education.

BALANCE SHEET OF THE 14 CREDIT COOPERATIVES

December 31st, 1925

ASSETS

(CROWNS)

Town	Cash on Hand	Cash in Banks	Securities	Loans Outstanding	
				Time	Demand
Beregsas	15,615.04	14,121.39	—	493,639.00	10,900.00
Bilke	11,631.80	77,373.88	—	295,171.00	—
Hust	3,893.11	54,790.89	—	431,000.00	4,000.00
Jasina	39,905.12	10,590.21	—	572,425.00	20,677.34
Kosice	24,610.09	280.209.34	—	1,338,442.19	157,239.60
Michalovce	70,683.67	408,680.10	43,297.02	1,149,528.00	23,243.52
Mukacevo	103,666.52	107,969.48	7,497.30	1,487,604.00	—
Presov	2,018.12	52,455.17	—	693,420.05	6,832.67
Secovce	114,315.45	82,191.37	—	763,065.60	193,920.45
Sevlius	24,375.06	61,774.96	5,600.00	604,350.00	18,054.24
Solotvina	20,525.80	155.00	—	344,780.00	—
Ternova	4,700.55	31,239.10	—	421,223.37	93.50
Tiacevo	22,178.01	51,285.38	—	475,887.00	—
Volovoje	25,530.72	11,148.73	—	761,700.00	2,186.90
Total	483,649.06	1,243,985.00	56,394.32	9,832,235.21	437,148.22

LIABILITIES

Town	Share Capital	RESERVES		DEPOSITS	
		General Reserve	Reserve for Bad Debts	Time Deposits	Current Accounts
Beregsas	132,160.00	7,127.00	1,000.00	100,258.35	5,166.82
Bilke	74,253.00	2,414.40	547.00	4,527.78	6,771.22
Hust	86,198.00	1,800.00	900.00	69,160.33	2,699.38
Jasina	94,530.00	2,144.70	1,322.35	65,311.11	7,405.96
Kosice	167,795.00	1,200.00	600.00	927,479.69	248,894.55
Michalovce	163,838.50	2,850.00	1,450.00	910,762.71	105,836.76
Mukacevo	198,632.00	8,000.00	3,604.00	605,108.60	212,018.05
Presov	101,695.00	2,265.71	1,026.44	200,952.21	28,747.20
Secovce	115,955.00	10,000.00	2,000.00	618,225.05	147,843.36
Sevlius	107,166.00	2,320.00	1,000.00	251,289.85	18,219.33
Solotvina	97,443.00	744.96	372.48	13,568.57	775.00
Ternova	80,394.00	1,500.00	300.00	56,455.37	19,011.46
Tiacevo	107,640.00	7,290.00	3,500.00	101,318.65	1,680.97
Volovoje	110,240.00	2,000.00	1,000.00	32,957.67	34,505.24
Total	1,637,939.50	51,656.77	18,622.27	3,957,375.94	839,575.30

IN SUB-CARPATHIA AND EAST SLOVAKIA

December 31st, 1925

(CROWNS)

ASSETS

Furniture and Fixtures	Organization Expenses	Suspense Accounts	Collection Items	Total
2,320.00	2,000.00	28.60	—	538,624.03
3,796.65	2,310.82	—	—	390,284.15
5,264.82	—	—	—	498,948.82
7,481.88	1,489.84	—	—	652,569.39
9,000.00	3,000.00	—	—	1,812,501.22
8,800.00	2,100.00	—	—	1,706,332.31
2,078.38	2,625.66	139.06	—	1,711,580.40
4,226.00	1,695.76	—	—	760,647.77
19,500.00	1,500.00	—	—	1,174,492.87
11,500.00	—	658.00	—	726,312.26
7,189.02	2,613.66	—	—	375,263.48
2,308.50	—	—	—	459,565.02
6,570.00	1,366.30	—	—	557,286.69
3,904.00	1,668.24	—	15,329.00	821,467.59
93,939.25	22,370.28	825.66	15,329.00	12,185,876.00

LIABILITIES

Debts to Foundation	Unclaimed Dividends	Reserve for Taxes	Interest Received in Advance	Other Liabilities	Net Profit	Total
268,000.00	1,482.00	500.00	9,923.69	—	13,006.17	538,624.03
293,000.00	920.40	—	3,451.65	—	4,398.70	390,284.15
313,500.00	—	—	14,367.00	—	10,324.11	498,948.82
430,000.00	52.50	6,006.45	33,842.59	1,150.00	10,803.73	652,569.39
408,635.00	—	3,135.63	41,998.76	—	12,762.59	1,812,501 22
485,490.00	2,456.00	—	14,400.00	—	19,248.34	1,706,332.31
600,000.00	6,600.00	9,500.00	45,617.00	—	22,500.75	1,711,580.40
410,900.00	1,358.80	—	5,602.00	—	8,100.41	760,647.77
254,902.50	1,985.00	—	8,809.66	—	14,772.30	1,174,492.87
318,430.06	—	1,500.00	13,000.00	1,085.99	12,301.03	726,312.26
248,000.00	—	—	10,547.88	—	3,811.59	375,263.48
285,000.00	531,00	1,146.09	9,034.92	80.17	6,112.01	459,565.02
303,000.00	1.555.40	3,000.00	16,599.87	225.00	11,476.80	557,286.69
583,000.00	—	6,367.42	30,958.00	—	20,439.26	821,467.59
5,201,857.56	16,941.10	31,155.59	258,153.02	2,541.16	170,057.79	12,185,876.00

BALANCE SHEET OF THE 15 CREDIT COOPERATIVES

December 31st, 1926

ASSETS

(CROWNS)

Town	Cash on Hand	Cash in Banks	Securities	LOANS OUTSTANDING	
				Time	Demand
Beregsas	4,978.96	29,583.52	700.00	560,462.00	9,000.00
Bilke	18,676.21	61,611.80	100.00	393,289.00	1,691.30
Hust	19,605.90	81,758.83	500.00	449,028.00	14,608.75
Jasina	32,612.56	50,949.88	400.00	708,843.00	47,160.14
Kosice	60,365.83	373,742.66	5,900.00	1,631,486.15	198,787.03
Michalovce	27,064.78	409,861.98	52,467.77	1,255,384.20	140,585.75
Mukacevo	143,968.77	229,773.23	11,597.30	1,364,935.00	—
Presov	29,935.63	57,663.31	8,050.00	906,825.54	9,012.65
Secovce	95,958.34	219,501.48	3,952.00	1,010,261.10	127,849.77
Sevlius	21,214.96	105,540.11	5,610.00	684,990.00	26,818.39
Solotvina	9,022.76	9,472.13	—	362,028 00	16,175.00
Ternova	26,376.63	25,592.40	405.33	412,563.37	—
Tiacevo	21,032.75	109,587.25	608.00	560,657.00	—
Uzhorod	11,671.78	69,455.74	—	555,380.00	10,302.00
Volovoje	50,283.35	8,106.82	400.00	749,459.00	4,266.84
Total	572,769.21	1,842,201.14	90,690.40	11,605,591.36	606,257.62

LIABILITIES

Town	Share Capital	RESERVES		DEPOSITS		
		General Reserve	Reserve for Bad Debts	Savings Deposits	Time Deposits	Current Accounts
Beregsas	144,665.00	11,152.00	2,300.00	—	148,364.45	4,965.00
Bilke	87,668.00	3,294 00	986.00	—	49,537.68	51,607.64
Hust	97,298.00	4,000.00	2,000.00	—	95,447.64	28,178.21
Jasina	107,600.00	4,500.00	2,400.00	1,785.00	201,318.82	46,341.56
Kosice	223,435.00	8,928.78	—	129,763.90	1,231,800.00	218,704.16
Michalovce	187,620.00	5,900.00	2,500.00	—	1,074,680.68	113,417.72
Mukacevo	257,592.00	13,000.00	6,104.00	—	619,425.56	170,771.21
Presov	130,030.00	5,700.79	1,465.81	41,425.00	323,913.37	78,120.49
Secovce	136,730.00	13,700.00	3,447.30	—	1,007,116 18	61,654.76
Sevlius	107,740.00	6,500.00	3,000.00	—	332,415.90	72,724.14
Solotvina	110,184.00	1,046.30	523.15	—	10,913.64	1,925.00
Ternova	90,539.00	2,500.00	800.00	—	92,730 02	1,805.26
Tiacevo	122,400.00	10,000.00	5,000.00	4,695.00	212,073.00	2,342.42
Uzhorod	101,028.00	—	—	10,425.00	327,057.00	66,309.69
Volovoje	126,000.00	10,000.00	5,000.00	—	48,130.74	60,786.26
Total	2,030,529.00	100,221.87	35,526.26	188,093.90	5,774,924.68	979,653.52

IN SUB-CARPATHIA AND EAST SLOVAKIA

December 31st, 1926

(CROWNS)

ASSETS

Furniture and Fixtures	Organization Expenses	Suspense Accounts	Collection Items	Total
3,389.00	—	33.60	—	608,147.08
6,660.00	1,155.42	—	—	483,183 73
9,085.34	—	—	—	574.586.82
7,742.44	744.92	2,200.00	—	850,652.94
8,595.00	2,400.00	—	—	2,281,276.67
7,000.00	1,000.00	—	—	1,893,364.48
3,003.44	1,312.84	632.06	—	1,755,222.64
3,550.00	847.88	—	—	1,015,885.01
18,500.00	1,000.00	—	—	1,477,022 69
10,300.00	—	266.50	—	854,739 96
7,833.89	2,091.06	—	—	406,622.84
5,411.79	576.00	—	—	470,925.52
5,840.00	682.60	—	—	698,407.60
11,037.00	5,697.00	—	22,487 30	686,030.82
7,387.70	1,334.24	9,624.00	32,220.00	863,081.95
115,335.60	18,841.96	12,756.16	54,707.30	14,919,150.75

LIABILITIES

Debts to Fundation	Donations	Unclaimed Dividends	Reserve for Taxes	Interest Received in Advance	Other Liabilities	Net Profit	Total
267,714.28	—	4,092.00	1,500.00	10,525.90	—	12,868.45	608,147.08
276,649.30	—	1,972.80	1,000 00	3,868.90	—	6,599.41	483,183.73
314,500.00	—	3,517.00	—	14,215.08	—	15,430.89	574,586.82
410,287.15	2,380.00	1,531.60	6.45	53,753.46	—	18,748.90	850,652.94
375,571.42	—	4,275.00	—	66,259.11	—	22,539.30	2,281,276.67
451,669.61	—	6,129 00	1,800.00	17,000.00	10,000.00	22,647.47	1,893,364.48
586,671.40	—	4,932.00	9,500.00	59,970 00	7,099.00	20,157.47	1,755,222.64
411,000.00	—	2,751.71	1,666.72	7,540.40	458.81	11,811.91	1,015,885.01
233,799.45	—	3,620.00	—	4,127.00	—	12,828.00	1,477,022.69
293,855.62	—	2,322.50	2,500.00	13,830.00	6,549.62	13,302.18	854,739.96
258,000 00	—	—	—	10,340.12	—	13,690.63	406,622.84
263,500.00	327.98	1,829.25	1,793.09	9,000.00	—	6,100.92	470,925.52
304,430.00	109.80	3,268.40	3,000.00	20,397.00	—	10,691.98	698,407.60
168,744.00	—	—	—	9,318.00	—	3,149.13	686,030.82
534,647.13	—	2,973.00	7,802.85	45,200.00	—	22,541.97	863,081.95
5,151,039.36	2,817.78	43,214.26	30,569.11	345,344.97	24,107.43	213,108.61	14,919,150.75

ESTHONIA

GENERAL OBSERVATIONS

Of the four more important Jewish communities in Esthonia, which contain each a Jewish population of 6,000, only the Jews of Narva received any attention from the Reconstruction Department of the J. D. C.

Narva lies near the Russian frontier. In a total pre-war population of 30,000, there were 150 Jewish families. The town could boast of three of the largest textile factories in Russia, as well as a foundry and several saw mills, and the Jews of Narva were therefore always well supplied with work. During the war, however, Narva was the scene of hostilities and was several times taken and retaken by the Russian and German troops. The city likewise suffered from other events and to-day Narva is well-nigh ruined. All its factories are idle; its economic life is dead. The Jewish community has dwindled to 65 families counting 310 souls, all of whom, with the exception of a few who have not lost their source of livelihood, are in dire poverty.

The heads of 35 families are artisans, while the rest are merchants. Fourteen of the artisans are engaged in petty trading as well.

Before the war there was a loan and savings kassa in Narva, which had been supported by the St. Petersburg office of the I. C. A. from 1910, but which was forced to cease operations in 1916, owing to the progress of the war.

In order to help the Jews of Narva, the J. D. C. in 1923 appropriated $1,500 for the establishment of a new kassa. In view of the fact, however, that much time elapsed before the formalities incident to organization could be settled, this sum was deposited with the Jewish Bank in Reval, the Esthonian capital, which thereupon granted loans to Narva Jews. This arrangement continued till March 1st, 1925, when, after a special personal investigation by one of our representatives, the money was transferred to the management of the Narva cooperative.

THE WORK OF THE COOPERATIVE.

Between August 1st, 1923, and February, 1925, the Reval bank granted to 53 individuals 270 loans, aggregating 5,618,537 Esthonian marks, or $16,053. On March 1st, 1925, the Narva cooperative counted 64 members who held 415 shares of a par value of 500 Esthonian marks each. This capital, 207,500 marks ($593), was actually paid up. By December 31st, 1925, the number of members had risen to 69, and in 1926 there was no increase, because practically all Jewish families were already members of the kassa.

Working Capital of the Narva Kassa.

December 31st, 1925, and December 31st, 1926.

	Dec. 31st, 1925		Dec. 31st, 1926	
	Est. Marks	Dollars	Est. Marks	Dollars
Share Capital	232,250	$664	254,500	$ 679
Reserves	40,324	115	103,676	276
Deposits	68,920	197	133,217	354
Profit	6,679	19	17,330	46
Total funds of Kassa	348,173	995	508,723	1,355
Foundation Credits . . .	559,750	1,599	746,750	1,986

The Narva credit kassa worked on the principle of maintaining a ratio of 10:1 between loans and share capital. Every member-borrower had to own a 500 mark share. He was then in a position to obtain a loan up to 5,000 marks. If his debt to the kassa at any given moment exceeded 5,000 marks, he was required to buy additional shares in proportion. A number of members held 20 or more shares, but could borrow no more than 25,000 Esthonian marks, this being the maximum credit set by the kassa.

Balance Sheet of the Credit Cooperative in Narva, December 31st, 1925.

(Esthonian Marks)

Assets		Liabilities	
Cash on Hand	19,173.00	Share Capital	232,250.00
Cash in Banks	81,293.00	Reserve	40,324.00
Loans Outstanding	809,133.00	Deposits	68,920.00
Furniture and Fixtures	8,010.00	Credits from Foundation	559,750.00
		Stamp Tax	527.00
		Interest for 1926	9,159.00
		Net Profit	6,679.00
	917,609.00		917,609.00

Profit and Loss Account, December 31st, 1925.

(Esthonian Marks)

Debit		Credit	
Administrative Expenses	42,870.00	Interest and Commissions Earned	66,506.00
Taxes and Fees	1,027.00		
Interest and Commissions Paid	13,430.00		
Depreciation of Furniture and Fixtures	2,500.00		
Net Profit	6,679.00		
	66,506.00		66,506.00

Balance Sheet of the Credit Cooperative in Narva, December 31st, 1926.

(Esthonian Marks)

Assets		Liabilities	
Cash on Hand	9,215.00	Share Capital	254,500.00
Cash in Banks	284,006.00	Reserve	103,676.00
Loans Outstanding	1,013,799.00	Deposits	133,217.00
Shares in Other Institutions	1,000.00	Credits from Foundation	746,750.00
Furniture and Fixtures	8,405.88	Stamp Tax	1,862.00
		Interest Received for 1927	9,090.00
		Other Liabilities	50,000.00
		Net Profit	17,330.00
	1,316,425.00		1,316,425.00

Profit and Loss Account, December 31st, 1926.

(Esthonian Marks)

Debit		Credit	
Administrative Expenses	87,380.00	Interest and Commissions Earned	162,891.00
Taxes and Fees	3,362.00		
Interest and Commissions Paid	50,119.00		
Depreciation of Furniture and Fixtures	4,700.00		
Net Profit	17,330.00		
	162,891.00		162,891.00

GREECE

It will be recalled that in the great Saloniki fire of 1917, 17,000 homes, most of them in the trading quarter, were destroyed. The Jewish population was in fact the chief sufferer from the conflagration. In order to afford to those members of the middle class whose houses had been destroyed the possibility of rebuilding them, the J. D. C. took under advisement the question of a loan to the Jewish community, from which persons who had commenced construction, but were unable to proceed on account of insufficient means, might receive small advances. Assistance was likewise to be given to Jews who wished to buy new homes to replace those that had been burned.

For various reasons the negotiations between the J. D. C. and the Saloniki Jewish community were not concluded when the J. D. C. was liquidated, and they had to be continued by the Foundation, which appropriated $20,000 for the above-mentioned purposes on condition, however, that the Jewish community would participate to the extent of $5,000. In the course of 1925 and 1926 the Foundation placed the credit appropriated at the disposal of the Jewish community.

Up to the end of 1926, 64 loans were granted. These 64 loans amounted to $18,375. In almost all cases the loan is for a period of seven years. Repayments, which are semi-annual, are being made punctually.

Three borrowers have sold their homes and settled their debts in full.

Applications for loans are received, examined and discussed by a committee of five, called "Caisse de Prêts", appointed by the community. Investigations are also made on the spot by an engineer, who likewise examines the documents and ascertains how far building operations have progressed. When his report is submitted, the committee makes its decision.

Most of the buildings are dwellings; very few are places of business.

The security for loans consists of a guaranteed promissory note, as well as a first mortgage in favor of the president of the community. The insurance policy on the house is similarly made out in the name of the president of the community.

The rate of interest is 9 per cent per annum; interest is charged only on the unpaid balance of the debt.

The community made representations to the Foundation to release it from the obligation of contributing its unpaid balance of $2,500, on the ground that the reconstruction of the sections destroyed by fire in Saloniki constitutes a burden on the community. The leaders of the community submit that after the fire many Jewish families, which were homeless and penniless, settled in tin huts or even in tents. Now all these temporary dwellings must be removed with the result that three to four hundred Jewish families will become a charge on the community. Furthermore, hundreds of Jewish families lived in small houses owned by Turks,

to whom they paid a monthly rental of 15 to 50 drachmas. These homes have now been taken over by the government for the aviation department, which demands a rental eight to ten times as high and insists, moreover, on making this retroactive for two years. Naturally, the great majority of the Jewish tenants are not in a position to produce any such amount and the community is forced to pay for them. The government refuses to make concessions in this matter, and intercession with the authorities has been futile.

The community has no choice but to disburse thousands of drachmas. Apart from this, the new plan of the city requires the demolition of that section of the town known as the People's Quarter. This district was built by Baron de Hirsch and other philanthropists for the poorest Jewish inhabitants. The community has accordingly decided to place a plot of ground it owns on the outskirts of the city at the disposal of prospective builders of dwellings.

Under these circumstances, we deemed it proper to release the community from its $2,500 pledge for reconstruction purposes.

Besides the above-mentioned credits of the Foundation, the J. D. C. on its part has recently granted special credits and subventions for building purposes totalling $20,000. This sum was substantially increased by participation of the community and Saloniki Jews abroad.

LATVIA

GENERAL OBSERVATIONS.

Latvia, one of the states on the border of the Soviet Union, comprises the three provinces of Lettgallia, Courland and Livonia. Lettgallia represents Slav culture, while Courland and Livonia have much in common with Central Europe. The explanation for this divergence is to be sought in the political past of these districts; Lettgallia was always Russian, while the other two were once under German rule and consequently subject to German influence. Moreover, for a long time the Czarist government took no pains to withdraw Courland and Livonia from this influence and bring them within the sphere of Russian culture. As to the Jews of these provinces, there was still another factor making for their cultural differentiation, as the Jews of Courland and Livonia represented a privileged class which had been granted special right of domicile by the Czarist authorities, whereas Lettgallia was a part of the Pale of Settlement, and the cultural niveau of its Jewish population corresponded, accordingly, more or less with that of the more primitive general population. As a result of these circumstances, there arose two different classes of Jews which have not yet merged.

The pre-war population of the three provinces included within the borders of the present Latvia was 2,250,000, about seven per cent of whom were Jewish. During the war these districts were the scene of military operations and many of the Jews moved deeper into Russia, where the majority of them remained after the conclusion of the peace. In 1920 the Latvian government allowed these people to return, but it barred any Jew who could not prove that he had lived in Latvian territory before 1914 and that he had been forcibly evacuated.

In 1920 the population of Latvia amounted to 1,250,000, of whom 85,000, or about 7 per cent, were Jews, but it is estimated that the number of Jewish inhabitants has since risen to about 100,000. Thirty-eight per cent of the Jews live in Livonia, 37 per cent in Lettgallia, and 25 per cent in Courland. In this connection it is worth noting that Latvia contains only five cities with a Jewish population of more than 2,000, of which Riga, the largest, counts 39,000 Jews. The occupational division of Latvian Jewry is shown in the following table.

	Per Cent
Merchants	45
Artisans	30
Shop & Office Employees	12
Intellectuals	9
Factory Workers & Journeymen	4

With the exception of those in Riga and Hasenpot, the cooperatives which existed in Latvia previous to 1914 were forced to suspend activities during the war.

The Jews of the country were consequently at the mercy of usurers — a circumstance which naturally did not contribute towards an improvement of the economic position of Jewry. The Gemilas Chesed kassas which persisted after the critical war years did serve a useful purpose, but their role in the rehabilitation of the economic life of the Jewish merchant and artisan was altogether negligible.

J. D. C. AND FOUNDATION ACTIVITIES.

After lengthy discussions between representatives of the Reconstruction Department of the J. D. C. and leaders of Latvian Jewry regarding the suspension of purely philanthropic relief and the inauguration of social cooperative work, it was decided to restrict the activity of the J. D. C. to the organization of 12 to 14 cooperatives.

In choosing the urban centres in which these kassas were to be located, special consideration was given to those places which had suffered most and which could guarantee a sufficiently large membership.

When the Reconstruction Department commenced its activities in Latvia in August, 1922, the only cooperatives in the country were those in Riga and Hasenpot. On December 31st, 1922, there were seven with a total membership of 3,895. By the end of 1923 the number had risen to 15 with 6,894 members. In the course of 1924 another cooperative was founded, and in 1925, at the suggestion of the Foundation, which had taken over the work of the Reconstruction Department of the J. D. C., three additional kassas were established. In 1926 one more cooperative was organized.

The total number of Jewish cooperatives in Latvia is thus 20, of which 11 are in Lettgallia and 9 in Courland and Livonia. With the exception of the two pre-war cooperatives, which, however, had been able to do but little during the war, all the Jewish cooperatives in Latvia were organized as a direct result of the participation of the Reconstruction Department of the J. D. C. The department directed the entire organization work through its own employees who received the assistance of a committee in Riga.

By May 15th, 1924, the Latvian kassas had received $56,000 of the $60,000 allocated to them by the Reconstruction Department.

Early in 1925 a careful investigation of the cooperatives was made. Our representatives gave the kassas the necessary instructions for the prosecution of their work, especially as to means of increasing their working capital. In order that this might be achieved more easily, the Foundation at that time extended to the cooperatives an additional $35,000 credit, which was disbursed in 1926.

In granting credits to the individual cooperatives, care was naturally exercised that a definite ratio be maintained between the funds appropriated by the J. D. C. and the sums collected by the institutions, so that, as will be seen from the table which appears below, the capital of the cooperatives and the sums raised from the membership was always in a certain proportion to the credits given by the J. D. C. and the Foundation at the time of organization.

The satisfactory development of the kassas, as appears from the following comparative tables, on the one hand, and the decrease in the legal rate of interest, on the other hand, which requires a substantial increase in the working capital of the kassas, induced us to make a new appropriation of $30,000 for Latvia for the year 1927. We outlined, however, certain conditions, the kassas' fulfillment of which is a condition for the realization of this program. The most important thing,

besides, of course, the strict limitation of the kassas to cooperative operations, is the increasing of the share capital by 100 per cent, a proposal which, we are glad to report, has been accepted and already partly realized.

THE COOPERATIVES.

When one examines the work of the Latvian cooperatives, which, it should be remembered, are only three or four years old, it must be said that the kassas have developed well and that they have conferred many benefits on the population of the country. It should also be stated that, because of the many occupations represented in the kassas and the general economic conditions, which grow worse from day to day, the cooperatives serve the upper middle class as well as the petty merchants and artisans, and are actually more like people's banks (Volksbanks) than the loan and savings kassas of pre-war times. While the economic situation of Latvian Jewry, as compared with that in other countries, is not disastrous, we nevertheless find here also all those tendencies mentioned in our general introduction. The Jews are being forced out of their economic position by the development of the agricultural cooperative movement, by the extreme nationalism and by the policy of the Latvian credit institutions, which aim above all to strengthen the economic situation of the agrarian element.

Occupational Classification of Kassa Members.

Occupation.	1922		1923		1924		1925		1926	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
Artisans	1922	49.3	2067	30.0	2485	29.7	2826	29.7	3006	28.9
Traders	1547	39.7	3882	56.3	4659	55.6	5267	55.3	5720	55.0
Miscellaneous	426	11.8	945	13.7	1229	14.7	1435	15.0	1677	16.1
Total	3895	100.0	6894	100.0	8373	100.0	9528	100.0	10403	100.0

Although the membership of the kassas has been rising steadily, it would be much larger if the kassas possessed sufficient means to meet the needs of all persons seeking credits.

The principal items of the balance sheets of all the Latvian cooperatives for 1922, 1923, 1924, 1925 and 1926 are given below:

	1922	1923	1924	1925	1926
	(Latvian Roubles)		(Lats)	(Lats)	(Lats)
Share Capital	1,417,115.00	7,285,918.01	220,809.84	296,752.15	337,948.01
Reserves	167,057.20	1,764,329.62	41,209.58	83,735.07	145,013.45
Time & Savings Deposits	2,098,254.20	3,233,272.95	152,563.68	160,824.42	265,539.13
Local Banks	200,000.00	1,088,011.00	79,805.33	46,185.57	40,505.92
Net Profit	43,934.43	430,855.09	40,890.03	57,062.20	40,375.60
Total Local Funds	3,926,360.83	13,802,386.67	535,278.46	644,559.41	829,382.11
J. D. C. Credits (Since 1924 Found. Credits)	5,000,000.00	12,435,000.00	409,045.00	512,836.80	550,787.80
Total of Balance Sheet	8,926,360.83	39,039,773.34	1,469,655.45	1,941,187.90	2,478,990.32

	1922 (Dollars)	1923 (Dollars)	1924 (Dollars)	1925 (Dollars)	1926 (Dollars)
Share Capital	$5,668.40	$29,143.00	$42,627.38	$57,288.06	$65,241.02
Reserves	588,20	7,056.90	7,955.52	16,165.07	27,994.87
Time & Savings Deposits	8,392.80	12,929.00	29,452.45	31,047.19	51,262.38
Local Banks	800.00	4,352.00	15,406.43	8,916.13	7,819.68
Net Profit	175.70	1,723.40	7,893.83	11,015.87	7,794.52
Total Local Funds	15,625.10	55,625.10	103,335.61	124,432.32	160,112.47
J. D. C. Credits (Since 1924 Found. Credits)	20,000.00	52,420.00	78,966.22	99,003.24	106,329.69
Total of Balance Sheet	$35,625.10	$156,200.00	$283,717.27	$374,746.70	$478,569.56

In 1922 the average share capital per member was $1.46
In 1923 ,, ,, ,, ,, ,, ,, ,, $4.23
In 1924 ,, ,, ,, ,, ,, ,, ,, $5.09
In 1925 ,, ,, ,, ,, ,, ,, ,, $6.01
In 1926 ,, ,, ,, ,, ,, ,, ,, $6.27

It will be seen from these figures that the *share capital* has risen year by year and indeed, generally speaking, the kassas make every effort to increase their share capital as far as possible. As a matter of fact, some kassas had insisted upon the borrower investing as much as 20 per cent of his loan, even before we made this increase a condition of our further participation in the movement, as mentioned before.

The Reserve Capital is created by taking 20 per cent of the net profits and from unpaid dividends.

The so-called *Special Reserve* is usually created by adding one-half of one per cent to one per cent to the interest charge on loans. In some institutions this additional fee amounts to one to three per cent per annum.

Apart from their own funds, the kassas have at their disposal additional local capital, such as savings deposits, current accounts, money of correspondents, etc.

The savings deposits, which at the end of 1925 represented 9 per cent of all deposits, rose to 14 per cent within a year and bear 6 to 8 per cent interest. In the second half of 1926 a special effort was made to increase the saving deposits. That this action met with considerable success is apparent, because the percentage of savings deposits rose from 9 to 14 per cent of all deposits (33,193.94 lats, or $6,408.09). 4 to 12 per cent was paid on time deposits, depending on their size and the period for which they were deposited; and on checking accounts and correspondents' money a maximum of 10 per cent was paid. These rates of interest are about to be revised in accordance with the decrease in the interest rate ordered by the government. The total deposits and current accounts of the kassas amounted to:

$ 8,392.80 at the end of 1922
$ 29,143.00 ,, ,, ,, ,, 1923
$ 93,380.84 ,, ,, ,, ,, 1924
$ 135,132.59 ,, ,, ,, ,, 1925
$ 201,937.22 ,, ,, ,, ,, 1926

The comparatively small total of savings deposits may be explained by the fact that the population still has no confidence in the national currency and, furthermore, by the experiences of recent years, when the hard earned savings of a lifetime disappeared overnight as the result of military, political or financial disturbances. Another factor was the lack of funds for propaganda purposes. In 1926, however, the Union of Cooperatives started a widespread compaign to win the people over to the idea of opening savings accounts in the cooperatives. The Foundation granted a small subvention for this purpose.

Loans Outstanding on December 31st of each year.

Year	No. of Loans	Latvian Roubles	Lats	Dollar Equivalent	Average Loan
1922	1860	6,110,389		$24,442.00	$13.14
1923	3563	30,633,414		122,534.00	34.39
1924	4965		1,082,144.37	208,908.18	42.07
1925	6379		1,521,360.29	293,698.90	46.06
1926	6847		1,753,965.24	338,603.33	49.45

A comparision of the number of loans outstanding shows an increase of 91.6 per cent in 1923, 39.3 per cent in 1924, 28.5 per cent in 1925, and 7.3 per cent in 1926. At the close of 1922, 1860 members, or 47.8 per cent of the total membership of 3895, were indebted to the kassas; in 1923, 3563 members, or 51.7 per cent of a total of 6894; in 1924, 4965 members, or 62.6 per cent of a total of 7937; in 1925, 6379 members, or 67 per cent of a total of 9528; and in 1926, 6847 members, or 65.8 per cent of a total of 10,403.

The kassas grant long and short-term loans. For the purposes of long-term loans the credits of the Foundation and the kassas' own funds are used. Such loans are granted for a maximum period of three months. The interest charge was 18 per cent until the end of 1925, when the rate was decreased to 15 per cent, and at the end of 1926, 12 per cent was declared as the maximum rate of legal interest. The largest sum loaned at one time is 400 lats.

Short-term loans are taken from time deposits, current accounts and the money of correspondents. Members who have received long-term loans may obtain no more than 600 lats in short-term loans, so that the total indebtedness of a member never exceeds 1000 lats ($200). Short-term loans are granted for a maximum period of two weeks and, like long-term loans, only against blank notes or customers' bills.

The proportion between local funds and J. D. C. and Foundation credits appears below:

	Local Funds Dollars	J.D.C. and Foundation Credits Dollars
1922 . . .	$15,625.10	$20,000.00
1923 . . .	55,204.30	52,420.00
1924 . . .	103,335.61	78,966.22
1925 . . .	124,432.32	99,003.24
1926 . . .	160,112.47	106,329.69

In 1926, 17 of the Latvian cooperatives showed a total net profit of 41,183.43 lats, or $7,950.50. One cooperative sustained a loss of 807.83 lats ($155.95). One cooperative had neither gain nor loss. This was a substanial decrease in comparison with the

last years, largely due to the aforementioned lowering of the interest rate. In order to avoid possible losses as a result of a further decrease of the rate of interest, we asked the Verband to use its influence to help reduce the administrative expenses of the kassas.

The above remarks and tables indicate how rapid and healthy has been the development of the Latvian cooperatives and how great the benefits which the Jewish population of the country has derived from them. It is to be hoped that the activities of the kassas to date are a guarantee of their further growth, in which case the Foundation's continued interest and attention can certainly be counted on.

HOUSING RECONSTRUCTION.

In addition to the cooperative work in Latvia, the J. D. C., and later the Foundation, also participated in the reconstruction of homes which had been destroyed during the war. Of the three provinces, Lettgallia, where fighting took place throughout practically the entire course of the war, suffered most. The uninhabited dwellings of the many Jews who had been forced to flee the country were especially exposed during the period of military operations. Of a total of 3,064 houses demolished, 1,940 were situated in Lettgallia and 1,124 in Courland. In addition, 101 community buildings in Lettgallia, 92 in Courland and 10 in Livonia were destroyed. The difficulty of the problem of reconstruction in Latvia, however, was alleviated somewhat by the fact that only part of the Jewish population returned, and those who did return came gradually.

Special credits for reconstruction of homes were opened for the kassas in Kreutzburg and Dwinsk. The cooperative in the former town received 20,000 lats ($4,000) and $6,000, while that in Dwinsk was granted 43,700 lats (about $9,000) and $3,000.

The Foundation regulated the manner in which loans to individuals for the purpose of home reconstruction were granted, and in some cases even investigated the borrowers. We are satisfied that the distribution of these funds was properly carried out.

Every application for credit was carefully examined by the executive council of the kassa concerned, after which, together with the decision of the executive council, it was sent to the office of the Union of Cooperatives in Riga, which again made inquiries as to whether the petitioning party had actually been impoverished by the war. After this had been ascertained, the money was paid out and then only when the family seeking the credit had already expended on the reconstruction of its home a sum equal to two-thirds of the loan desired. In Kreutzburg, 70 loans totalling 51,540 lats were granted; 48 of these were given to residents of the city itself and the remainder to inhabitants of the outlying towns of Jacobstadt and Glasmanka. Sixty per cent of the borrowers were artisans. The maximum size of a loan in Kreutzburg was 1,500 lats ($300). In only one case were 2,000 lats given. The average loan amounted to 735 lats ($147).

These loans for home reconstruction are to be repaid in 12 semi-annual instalments. With the exception of three cases, in which the loans will be fully repaid only in 1931, all these debts are to be settled by 1930. To date payments have been made regularly and punctually; during 1926 the sum of $3,911.33 was paid back.

In Dwinsk, where the percentage of artisans was larger than in Kreutzburg, 100 loans totalling 58,540 lats, were given. The loan maximum was 1,000 lats

($200), except in three cases in which 1,500 lats were granted. The average loan equalled 585 lats ($117). The terms of repayment are the same as in Kreutzburg. All loans will have been repaid by January 31st, 1931. Repayments are proceeding regularly

In Kreutzburg, as well as in Dwinsk, an obligation, endorsed by two property owners, was taken from each borrower, as well as a promissory note with the same endorsers, together with the lease and insurance policy on the house. These guarantees were necessary, because mortgages would have entailed too many formalities, difficulties and costs.

UNION OF JEWISH COOPERATIVES.

When, in 1924, the Riga office of the Reconstruction Department of the J. D. C., which had theretofore been responsible for the supervision and inspection of the Latvian kassas, was liquidated, its place was taken by an officially registered central organization of all the cooperatives of the country, which took upon itself the control, management and propaganda of the cooperative movement. This union consisted of an executive council, composed of the representatives of the cooperatives, and a directorate of three persons in charge of current business.

The Union also employs an inspector, whose duty it is to make tours of inspection to see that the prescribed principles of cooperation are strictly adhered to, and to corect any departures from these rules which he may find.

At first the administrative expenses of the Union were entirely covered by the J. D. C. Then, until the end of 1925, the larger part of the budget of the Union was covered by the cooperatives themselves, and only now and then did the Foundation grant small subventions for this purpose. In 1926 all administrative expenses were covered by voluntary special contributions of the kassas.

The Union, it must be admitted, has contributed much towards the development of the cooperative system in Latvia, especially in the organization of the kassas, for, it will be recalled, apart from the two pre-war kassas in larger cities, the Latvian cooperatives are located in small towns, where it is difficult to find competent, experienced personnel. The existence of the Union was in this way of unusual value for the whole movement.

Despite the good work of the Union, the Foundation nevertheless deemed it necessary, during the early period of its activity, to send a representative to Latvia to collect detailed data regarding the functioning of the cooperatives, especially as a new credit for the purpose of increasing the kassas' working capital was at that time being considered. Particularly in Latvia, but elsewhere too, these inspections from without have always proved valuable, because the kassas, having had little experience, now and then depart from correct cooperative practice, being too greatly influenced by the bad economic position and the difficulties of readjustment of the Jewish population. It happened that the visit of the Foundation's representative was made at a time when the kassas were at a critical moment in their development, and the inspection was useful in beginning a new period of consolidation.

It is to be noted with satisfaction that the instructions we then gave the Latvian kassas have, as far as possible, all been carried out, and that the defects then discovered have since been corrected.

BALANCE SHEET OF THE 19 CREDIT

December 31st, 1925

(LATS)

ASSETS

Town	Cash on Hand	Cash in Banks	Loans Outstanding	Notes Protested
Bauske	168.06	38.22	24,464.40	—
Dagda	3,452.79	10.06	32,604.00	160.00
Dwinsk	10,865.05	28,488.51	284,866.57	2,025.02
Frauenburg	196.94	823.23	16,761.00	—
Hasenpot	1,317.41	31.33	35,613.56	—
Kreslavka	5,628.96	209.38	71,240.12	790.00
Kreuzburg	994.56	206.73	93,039.42	540.60
Libau	8,905.37	27,498.45	251,858.32	4,206.38
Lievenhof	1,117.03	—	19,693.87	721.82
Lutzin	608.07	866.00	49,398.90	557.00
Mitau	4,801.07	1,288.18	83,780.11	2,002.35
Preily	5,642.91	8.10	37,380.00	—
Reschitza	5,746.66	6,977.61	103,466.00	1,477.76
Riga	9,224.71	79,734.58	397,903.60	8,349.98
Tuckum	90.89	160.21	15,556.00	—
Warkliany	678.20	2,567.99	47,136.55	2,250.00
Weliony	311.92	—	2,176.00	—
Windau	438.60	276.27	27,020.00	—
Wolmar	252.88	207.90	27,185.72	1,004.93
Total	60,442.08	149,392.75	1,621,144.14	24,085.24

LIABILITIES

Town	Share Capital	Reserves	Deposits	Credits Received and Notes Rediscounted
Bauske	5,790.00	3,481.96	3,328.00	—
Dagda	5,707.00	1,400.46	4,235.52	—
Dwinsk	36,399.00	2,736.95	122,519.78	—
Frauenburg	2,557.00	761.23	4,034.24	—
Hasenpot	4,331.71	3,363.18	7,584.62	9,400.00
Kreslavka	11,834.00	5,656.97	43,097.65	—
Kreuzburg	10,685.00	5,451.59	8,997.98	—
Libau	47,409.50	5,264.44	177,407.50	—
Lievenhof	3,598.00	937.81	2,377.83	—
Lutzin	10,290.00	1,443.82	16,866.88	—
Mitau	17,842.40	8,797.50	34,859.48	3,070.00
Preily	6,159.88	2,340.24	1,499.55	—
Reschitza	21,760.00	6,157.57	4,296.16	27,700.00
Riga	82,795.66	29,350.92	242,298.83	904.44
Tuckum	6,030.00	246.04	8,461.58	—
Warkliany	8,603.00	4,610.46	1,089.59	—
Weliony	1,900.00	105.40	—	—
Windau	5,540.00	—	14,596.01	5,111.13
Wolmar	7,520.00	1,628.53	2,435.61	—
Total	296,752.15	83,735.07	699,986.81	46,185.57

COOPERATIVES IN LATVIA

December 31st, 1925

(LATS)

ASSETS

Correspondents	Furniture and Fixtures	Other Assets	Loss	Total
—	395.07	—	—	25,065.75
—	447.00	—	—	36,673.85
—	2,184.66	1,561.11	—	329,990.92
269.32	149.30	—	—	18,199.79
—	780.30	316.55	131.58	38,190.73
11,357.27	258.58	209.44	—	89,693.75
—	639.50	907.89	—	96,328.10
13,103.69	1,626.14	2,029.36	—	309,227.71
—	567.88	215.36	—	22,315.96
—	1,304.18	1,442.19	290.87	54,467.21
—	1,191.54	1,071.72	—	94,134.97
—	200.00	—	—	43,231.01
—	826.76	1,199.96	—	119,694.75
24,059.08	8,152.83	5,893.25	—	533,318.03
—	230.64	—	101.09	16,138.83
—	487.00	657.62	—	53,777.36
—	10.70	—	77.74	2,576.36
—	9.70	188.40	—	27,932.97
208.47	294.48	261.35	814.12	30,229.85
48,997.83	19,756.26	15,954.20	1,415.40	1,941,187.90

LIABILITIES

Debts to Foundation	Correspondents and Collection Items	Other Liabilities	Net Profit	Total
10,000.00	—	480.77	1,985.02	25,065.75
16,156.80	7,849.90	658.64	665.53	36,673.85
120,941.00	16,921.83	13,560.08	16,912.28	329,990.92
9,118.80	369.55	258.17	1,100.80	18,199.79
8,598.00	4,171.19	742.03	—	38,190.73
21,797.00	1,952.81	1,801.19	3,554.13	89,693.75
62,448.00	5,788.65	707.03	2,249.85	96,328.10
60,792.00	2,515.73	11,735.82	4,102.72	309,227.71
6,000.00	8,429.79	290.48	682.05	22,315.96
14,000.00	10,122.18	1,744.33	—	54,467.21
22,240.00	4,492.01	1,164.25	1,669.33	94,134.97
18,237.60	12,260.31	479.11	2,254.32	43,231.01
31,440.00	24,062.05	2,389.27	1,889.70	119,694.75
80,800.00	65,044.38	13,861.63	18,262.17	533,318.03
—	934.52	466.69	—	16,138.83
16,000.00	18,497.18	1,851.10	3,126.03	53,777.36
—	—	570.96	—	2,576.36
—	2,085.48	576.68	23.67	27,932.97
14,267.60	4,007.38	370.73	—	30,229.85
512,836.80	189,504.94	53,708.96	58.477.60	1,941,187.90

BALANCE SHEET OF THE

December 31st, 1926

ASSETS

(LATS)

Town	Cash on Hand and in Banks	Loans Outstanding	Notes Protested
Bauske	80.12	31,196.00	—
Dagda	3,108.09	53,488.00	160.00
Dwinsk	122,741.87	344,441.73	3,125.78
Frauenburg	1,136.93	18,155.40	—
Hasenpot	2,903.86	44,603.86	—
Kreslavka	9,763.81	72,623.10	3,363.40
Kreuzburg	2,034.68	102,563.14	2,370.00
Libau	83,202.56	258,064.80	5,497.20
Lievenhof	1,614.18	28,325.02	627.10
Lutzin	7,676.91	57,485.55	3,069 84
Mitau	5,758.52	127,702.20	1,522.21
Preily	256.47	33,290.00	—
Reschitza	10,639.78	112,667.00	2,730.88
Riga	194,252.11	393,240.44	21,259.37
Tuckum	2,380.33	25,763.22	—
Warkliany	1,237.96	46,464.00	1,680.20
Weliony	2,356.60	11,200.00	40.00
Windau	2,976.55	33,036.84	638.78
Wischky	53.90	10,560.00	—
Wolmar	1,377.00	30,879.55	757.88
	455,552.23	1,835,749.85	46,842.64

LIABILITIES

Town	Share Capital	Reserves	DEPOSITS		
			Demand	Time	Savings
Bauske	7,069.00	5,567.34	666.11	4,822.03	—
Dagda	7,122.00	3,523.65	4,475.29	1,048.00	262.36
Dwinsk	43,229.00	18,807.06	298,022.59	4,000.00	1,990.87
Frauenburg	3,002.00	1,308.96	—	4,317.92	—
Hasenpot	6,667.20	3,677.49	2,356.08	9,626.88	2,875.11
Kreslavka	12,625.96	10,567.04	16,609.96	16,274.20	88.13
Kreuzburg	12,709.00	9,992.76	6,704.67	3,396.40	2,110.59
Libau	49,106.50	6,207.49	96,715.97	98,090.99	12,948.17
Lievenhof	4,565.00	2,431.86	698.02	300.00	1,817.22
Lutzin	11,668.00	3,199.46	22,794.38	40.00	—
Mitau	22,593.92	9,998.97	17,280.54	51,427.16	2,460.83
Preily	6,080.00	5,891.21	2,245.88	200.00	—
Reschitza	24,622.00	9,844.21	31,589.54	2,700.00	642.00
Riga	89,112.43	40,708.44	268,895.49	26,720.00	—
Tuckum	7,280.00	932.98	2,782.66	4,254.04	766.77
Warkliany	9,490.00	9,602.22	107.49	405.62	145.39
Weliony	2,702.00	331.45	1,101.58	1,923.00	24.00
Windau	7,800.00	135.11	3,676.06	2,798.95	1,230.61
Wischky	2,594.00	258.21	1,324.10	—	—
Wolmar	7,910.00	2,027.54	2,449.17	—	5,831.89
	337,948.01	145,013.45	780,495.58	232,345.19	33,193.94

20 CREDIT COOPERATIVES IN LATVIA

December 31st, 1926

(LATS)

ASSETS

Correspondents	Furniture and Fixtures	Other Assets	Loss	Total
—	358.70	92.00	—	31,726.82
—	706.52	—	—	57,462.61
43,986.76	3,969.66	144.64	—	518,410.44
—	256.50	—	—	19,548.83
—	917.05	401.30	—	48,826.07
—	389.56	244.76	—	86,384.63
—	979.00	513.45	—	108,460.27
—	1,351.03	5,966.36	—	354,081.95
—	548.88	387.97	—	31,503.15
—	1,460.51	3,147.67	—	72,840.48
—	2,177.26	2,171.82	—	139,332.01
2,568.43	307.50	—	—	36,422.40
2,883.18	1,277.24	2,572.09	—	132,770.17
33,265.25	7,458.15	2,650.64	—	652,125.96
—	435.28	1,786.55	807.83	31,173.21
3,111.59	511.70	8,901.12	—	61,906.57
—	579.10	103.90	—	14,279.60
—	264.96	278.32	—	37,195.45
—	85.26	75.63	—	10,774.79
—	333.71	416.77	—	33,764.91
85,815.21	24,367.57	29,854.99	807.83	2,478,990.32

LIABILITIES

Credits Received and Notes Rediscounted	Debts to Foundation	Correspondents	Other Liabilities	Collection Items	Net Profit	Total
—	11,556.10	—	1,043.98	—	1,002.26	31,726.82
—	16,156.80	15,227.41	7,366.67	568.00	1,712.43	57,462.61
—	110,628.80	—	24,160.77	8,438.12	9,133.23	518,410.44
—	9,118.80	88.38	217.11	404.96	1,090.70	19,548.83
7,354.00	8,598.00	6,476.88	740.99	68.47	384.97	48,826.07
—	21,797.00	3,749.52	1,007.85	378.49	3,286.48	86,384.63
—	58,119.60	10,694.65	771.99	1,633.22	2,327.39	108,460.27
—	60,792.00	13,850.88	9,712.58	1,499.16	5,158.21	354,081.95
—	11,192.00	6,957.98	363.17	374.61	2,803.29	31,503.15
—	23,868.40	3,793.81	4,900.65	1,668.23	907.55	72,840.48
—	22,240.00	9,016.82	2,560.06	66.50	1,687 21	139,332.01
—	18,237.60	—	378.94	67.43	3,321.34	36,422.40
29,200.00	31,440.00	—	2,015.42	717.00	—	132,770.17
—	80,800.00	95,139.81	34,340.93	9,832.77	6,576.09	652,125.96
—	7,777.50	6,904.25	471.90	3.11	—	31,173.21
—	22,235.20	17,835.01	832.27	734.20	519.17	61,906.57
—	4,000.00	3,091.25	171.25	885.67	49.40	14,279.60
3,951.92	12,964.00	2,886.51	844.11	500.00	408.18	37,195.45
—	5,186.00	1,259.75	118.07	—	34.66	10,774.79
—	14,080.00	135.18	326.41	223.85	780.87	33,764.91
40,505.92	550,787.80	197,108.09	92,345.12	28,063.79	41,183.43	2,478,990.32

LITHUANIA

GENERAL OBSERVATIONS.

Lithuania, which for the most part corresponds with the Kowno Government of Czarist Russia, had a population in pre-war times of 1,790,000, of whom 19 per cent, or 337,000, were Jews. According to the last national statistical calculations of September 7th, 1923, the population numbers 2,028,971, 7.5 per cent, or 153,643, of whom are Jews, residing in some 175 towns and villages. On the other hand, a survey of the National Council puts the Jewish population of but 116 of these centres at 165,000. In only five towns does the number of Jewish inhabitants exceed 5,000.

The occupational division of the Jewish population in Lithuania is similar to that of Poland, although the number of small merchants and traders may be relatively somewhat larger.

Between January, 1920, and the middle of 1921, when the Reconstruction Department of the J. D. C. entered the field of Jewish cooperative activity in Lithuania, the Jewish National Council spent 900,000 German marks for reconstruction work in the organization of Jewish cooperatives, which represented 18 per cent of all the J. D. C. money appropriated. Of this sum, 500,000 marks were used to further the growth of artisan institutions and 400,000 marks for agricultural purposes. During the period of the National Council's activities the working capital of the Volksbanks increased some 2,000 per cent, partly as a result of deposits, but mostly due to large remittances made by American relatives of Lithuanian Jews.

The war caused the complete destruction of the old loan and savings kassas and the first new ones made their appearance in 1918. The majority of the kassas now in existence, however, were founded in 1920. The following table shows the number of kassas created each year since the war:

1919 —	10
1920 —	47
1921 —	9
1922 —	9
1923 —	2
1924 —	4
1925 —	3
Total	84

In addition to these kassas, which are affiliated with the Union of Jewish Cooperative Kassas in Lithuania, there are 16 other Volksbanks. The 84 kassas of the Union serve, in addition to the places in which they are established, 146 small towns with Jewish residents. It may therefore be said that practically all localities of any importance — 246 of the 248 cities and towns in Lithuania — are served by the Jewish kassas (including the 16 not in the Union).

The total Jewish population in the towns with Volksbanks amounts to about 125,000, of whom, reckoned on the basis of 4.5 capita per family, about 84 per cent are organized in the Volksbanks. There are, however, towns such as Kowno, for

instance, in which this percentage is not nearly reached; but, on the other hand, the 146 towns mentioned above bring the total number of Jews served to well over 125,000.

In 1926 the occupational division of the members of the Volksbanks was as follows:

	Number	Per Cent
Petty Traders	8,967	38.4
Artisans	5,566	23.8
Merchants & Manufacturers	1,889	8.1
Workmen & Drivers	1,741	7.5
Agriculturists	1,203	5.2
Office Employees	1,194	5.1
Professionals	758	3.2
Miscellaneous	2,039	8.7
	23,357	100.0

In 55 kassas the number of members amounts to from 100 to 400. There are 15 Volksbanks with less than 100 members and 11 with 500—800 members. The kassa in Ponevesh has more than 1,000; that in Kowno, over 3,000 members.

J.D.C. AND FOUNDATION ACTIVITY.

After the Reconstruction Department of the J. D. C., and later the Foundation, had entered the field, the membership of the Volksbanks rose from

19,187 on December 31st, 1923, to
23,187 „ „ 31st, 1924, „
25,383 „ „ 31st, 1925, and fell to
23,357 „ „ 31st, 1926.

The average membership per kassa on December 31st, 1926, was 278.

Principal Items of the Balance Sheets of the Lithuanian Volksbanks (People's Banks).

(Litas*)

	1923	1924	1925 †	1926
Share Capital	152,227.09	765,553.63	1,050,096.46	1,142,429.04
Reserves	—	240,831.67	481,153.11	579,673.04
Deposits & Current Accounts	186,629.25	1,941,550.01	1,604,864.62	2,895,481.85
Debts to Central Bank				
1. Long-Term Special Credits	111,000.00	2,678,554.60	2,432,762.12	2,487,518.98
2. Housing Reconstruction Credits	1,369,300.00	1,558,766.91	1,604,263.06	1,529,913.67
3. Credits in Current Accounts	1,099,444.67	4,810,688.73	4,448,230.22	3,814,175.23
Credits from Other Institutions	—	580,116.95	753,402.51	774,730.44
Net Profit	25,334.80	143,992.17	113,665.35	—
Total Working Capital	2,943,935.81	12,720,054.67	12,488,437.45	13,223,922.25
Net Loss	—	—	—	48,781.80

*Ten litas are equal to one dollar.

†The figures for 1925 refer to 82 of the 84 Volksbanks.

In 1923 the average share capital per member was $0.79
In 1924 „ „ „ „ „ „ „ $3.30
In 1925 „ „ „ „ „ „ „ $4.14
In 1926 „ „ „ „ „ „ „ $4.89

Loans Outstanding.

(Litas)

	Dec. 31st, 1923	Dec. 31st, 1924	Dec. 31st, 1925	Dec. 31st, 1926
Short-Term	589,211.68	4,641,345.21	5,987,283.87	6,294,672.14
Long-Term	616,683.38	2,965,847.17	3,593,916.85	2,998,117.45
Housing	1,369,300.00	1,558,766.91	1,633,274.10	1,493,577.61*
Other, Including Advances on Bills of Lading	274,280.50	609,013.00	132,482.11	556,354.36
Total	2,849,475.56	9,774,972.29	11,346,956.93	11,342,721.56

*Include loans for machines.

Short-term loans increased about eight times in 1924, 29 per cent in 1925, and 5.1 per cent in 1926. Long-term loans increased 381 per cent in 1924 and 21.2 per cent in 1925, and decreased 16.6 per cent in 1926. Loans for housing reconstruction rose 13.8 per cent in 1924 and 4.8 per cent in 1925, and fell 8.6 per cent in 1926.

Relation of Loans Outstanding to Credits Owed to Central Bank.

	(Litas) Credits from Central Bank	(Litas) Loans Granted by Cooperatives
1923 . . .	2,579,744.67	2,849,475.56
1924 . . .	9,048,010.24	9,774,972.29
1925 . . .	8,485,255.40	11,346,956.93
1926 . . .	7,831,607.88	11,342,721.56

In other words, in 1926 the cooperatives granted from their own working funds credits totalling 3,511,113.68 litas.

Growth of Capital of Volksbanks.

	Per Cent Increase 1924	Per Cent Increase 1925	Per Cent Increase 1926
Share Capital	403	37	9
Reserves	—	100	20
Deposits & Current Accounts	940	17 decrease	80
Central Bank Credits . . .	251	5 decrease	7 decrease
Other Credits	—	30	3
Total Working Capital . . .	332	2 decrease	6

The ratio between the funds of the cooperatives and the credits received from the Central Bank was 1:7.1 in 1923; 1:2.9 in 1924; 1:2.1 in 1925; and 1:1.4 in 1926.

The figures given above demonstrate clearly the severe crisis through which the Jewish cooperative movement in Lithuania passed during the year 1925. We shall return to the causes of this crisis in our description of the Central Bank for the Furtherance of Jewish Cooperation.

This movement grew up without sufficient tradition and experience during the early struggles of the Lithuanian Republic and Lithuanian Jewry. The leaders were not aware of the grave dangers involved in wide expansion in the banking business. The too close connection of the movement with the political representatives of Lithuanian Jewry, and the resulting abandonment of strict cooperative rules, also made difficult the progress of sound cooperative work and consolidation. Moreover, our advice aiming at the improvement of conditions was often not followed. The rapid growth of the movement, due especially to the establishment of so many kassas, even in towns and villages where the small Jewish population did not warrant their existence, made a strong and comparatively large staff of experienced inspectors and administrators necessary; but, until recently, the Union was lacking in this respect. So it happened that in quite a large number of kassas doubtful claims and even losses arose, which failed to appear on the balance sheet.

This situation, which the reports of our inspectors brought to our attention, caused us to order a special, careful investigation on the spot, which was carried out at the end of 1926. The results of this inspection showed the difficult situation of quite a number of kassas and the necessity for immediate steps towards a complete reorganization and consolidation of the entire work. The necessary steps have since been taken.

The rate of interest which the kassas charged was from 12 to 24 per cent on long-term loans and up to 30 per cent on short-term loans. It is clear that the unusually high rate of interest had a ruinous effect on the soundness of the clientele of the kassas, and therefore one of the most important reorganization measures was the fixing of a decreased rate.

CENTRAL BANK FOR THE FURTHERANCE OF JEWISH COOPERATION IN LITHUANIA.

The Central Bank for the Furtherance of Jewish Cooperation in Lithuania, as its name indicates, was founded as a central organ of the Jewish Volksbanks in Lithuania for financing and supervising the individual cooperatives.

The Central Bank was founded on November 1st, 1921, with a capital of 3,000 common and 10 founders' shares, each founder's share conferring the right of 300 votes. These ten shares were to have become the property of the National Council, but in view of the fact that the government had not yet officially recognized that body, the shares were placed in trust with the members of the Council. Later they were transferred to the Jewish Volksbanks and to the Jewish fraction in the Sejm (parliament).

By July, 1920, 1759 shares had been sold to 1,108 individuals at a total price of 1,750,000 German marks, of which 1,178,000 marks were paid in. In August, 1921, the capital of the bank was 1,189,815 marks, of which 1,081,612 marks were held by the cooperatives. The Central Bank had at that time not yet engaged in any financial operations, and its expenses were covered by the National Council.

The chief functions of the Central Bank have been named above. In addition, however, it could conduct private banking operations. Soon the Bank became one of the most important in Lithuania and perhaps ranked first among Lithuanian banks, especially in foreign business. It embraced the entire Jewish economic life of the country.

Principal Items of the Balance Sheet of the Central Cooperative Bank of Lithuania.

(Litas)

	1923	1924	1925	1926†
Capital Stock & Reserves	1,059,364.00	1,303,755.23	1,324,694.00	3,063,500.00
Deposits & Current Accounts	3,228,791.00	7,952,618.86	4,542,314.77	3,539,467.51 (308,773.94)
Other Liabilities	5,554,907.00*	6,014,444.05*	5,137,253.22*	6,527,412.30 (89,793.92)
Profit	350,025.48	153,563.81	—	1,081.00
Loss	—	—	627,613.74	—
Local Funds	4,638,180.48	9,409,937.90	5,867,008.77	6,604,048.51
Housing Reconstruction Credits (J.D.C, & Found)	1,416,148.12	1,699,845.33	1,592,887.65	1,521,550.86
Credits to Volksbanks	1,210,444.67	7,489,243.33	9,199,618.94	6,471,894.05
Housing Reconstruction Credits	1,369,300.46	1,558,766.91	1,681,904.35	—
Private Clients	5,474,706.02	5,616,500.00	1,802,557.00	3,441,168.98 (664,446.70)

* These liabilities include the credits granted by the J.D.C. and later by the Foundation: $66,500.00 $139.000 00 $79,003.60.

† Figures in parentheses relate to branches.

Up to 1925 the development of the Bank was obviously satisfactory. Unfortunately, the management was not sufficiently cautious in all its operations. It happened that short-term credits of the Central Bank — the funds of correspondents and remittances from relatives in America for the local Jewish population — remained in the kassas and were loaned out, frequently as long-term credits. At this time, furthermore, the lita began to fall and Lithuania was consequently forced to adopt special measures restricting imports and reducing credits to a minimum. The Central Jewish Bank was slow in adapting itself to these changes, with the result that it suddenly found itself unable to meet its obligations.

As soon as the rumors of the Bank's difficulties were broadcast, there was a run of the depositors, who demanded the payment of their deposits, which amounted to a total of $800,000. In about three weeks the Bank did pay approximately 40 per cent of all its deposits, but at the end of this period the institution was unable to continue and found itself insolvent.

Lithuanian Jewry immediately saw the danger threatening the Central Bank and with it all Lithuanian Jews, for it was clear that not only the Central Bank as such, but all the 84 Volksbanks as well, would fail, leaving no hope of their re-establishment in the near future, and that the destruction of the Central Bank would be followed by disastrous runs on the Volksbanks, which would inevitably drive them into bankrupcy. These Volksbanks, however, constituted the only salvation of some 23,300 families in the country. Their own deposits amounted to approximately $300,000 and the Central Bank had loaned them, at from 7 to 10 per cent interest, ten or more times as much money as it had received from the Foundation.

An Emergency Committee was accordingly formed from among the leaders of Lithuanian Jewry. This committee took over the management of the Bank and set

itself the task of saving the institution. With this in view it established contact with the various creditors in order to arrive at a common plan of procedure.

Since it was clear that the breakdown of the Central Bank would react not only to the detriment of the economic situation of the Jews, but would affect the entire country, the state bank of issue announced its readiness to intervene. Similarly, large Jewish wholesalers in Kowno, who wished to avoid a business crisis and particularly a catastrophe in Jewish trade, declared their willingness to assist.

The state bank granted a credit of $200,000, the Jewish merchants of Kowno promised an additional $100,000, while the creditors agreed to a moratorium of one year. The Bank now needed $100,000 before it could resume activities on a modest scale. The Jewish Colonial Trust offered to assist to the extent of $30,000.

The very important question of the Foundation's intervention now arose. Owing to its difficult position, the Central Bank was to a large extent obliged to withdraw its credits from the people's banks. A continuance of this would have caused the complete breakdown of the whole cooperative structure. The Foundation, after carefully investigating the situation, considered it to be its duty to come to the aid of Lithuanian Jewry in this time of need, and, in order to save the individual kassas, placed a credit of $50,000 at the disposal of the Central Bank and agreed to postpone for one year the repayments which were then due. We insisted, however, on the complete reorganization of the Bank, so that, insofar as possible, all our deposits would be guaranteed and no optimistic directors could in the future expose the Bank to serious danger at critical junctures.

At a conference with the Kowno delegates of the Bank which took place in Berlin in November, 1925, the definite conditions on which the credit was granted were determined upon. In order to defend the interests of the individual kassas, we asked the Central Bank to fix a low rate of interest, 7 to 8 per cent for long-term credits, and to leave in the Volksbanks as long-term credits an amount of $245,000, which was approximately double tho Foundation's previous investment in the work. The most important question was that of the increase of capital stock, which at that time amounted to only 1,000,000 litas, or $100,000. Subsequently the management of the Bank actually succeeded in raising its share capital to 3,000,000 litas, or $300,000. All creditors declared their readiness to buy shares to the extent of 40 to 50 per cent of the Bank's indebtedness to them. The Foundation did likewise and applied $60,000 of its credit to the subscription of the Bank's shares. At the general meeting of the Bank the founders' shares were abolished.

As far as the activities of the newly elected management can be judged, the reorganization plan outlined above has proved successful. The character of the Bank as a cooperative institution, however, has been at last partially changed. By reason of the difficult situation the new management was compelled to increase the purely commercial business of the Bank. Nevertheless, it used the kassas as correspondents, often as branches, in the many small towns of Lithuania. In view of the obligations of the Bank (among its creditors being, in addition to the Foundation, the Jewish Colonial Trust and the Lithuanian Bank, as well as a few German banks), an enlargement of the strictly commercial operations was inevitable to assure a gradual covering of the debts, the writing off of doubtful assets, and eventually the declaration of a dividend.

The situation became somewhat difficult for us in the second half of 1926. In spite of the still extremely delicate situation of the majority of the kassas (the Volksbank in Kowno, for instance, seemed for a time to be in danger), the Central Bank, in order to save its own existence, withdrew a part of its long-term loans to the kassas and increased the rate of interest. Our close relationship with the Central Bank was of course based on the conception that the Bank would be in a position to secure the movement with large credits by obtaining deposits and credits from the private money market and from domestic and foreign banks. We are, however, not particularly interested in Jewish commercial banks as such. The situation to-day is that about 50 per cent of the business of the Central Bank (the former relation with the kassas) has remained cooperative, while the other 50 per cent consists of transactions with private clients.

This rather natural conflict of interest caused us to intervene in defence of the interests of the cooperative movement, especially in view of the critical situation. Prolonged negotiations with the management of the Central Bank resulted in an agreement, by which the Foundation will sever its close connection with the Central Bank. In the future the Foundation will negotiate with the kassas directly or through the intermediation of their Union. For the period of transition a directorate of three, consisting of one representative each of the Foundation, the Central Bank and the Union, will be empowered to carry out the necessary reorganization. Our future relationship with the Central Bank will naturally depend on the interests of the cooperative movement and on the manner in which the Bank will look after and further these interests. Our attitude towards the movement, however, must be independent of the interests of the Bank as such. In this connection it may be mentioned that as early as the end of 1925 the Foundation found it necessary to appoint a special inspector for Lithuania, whose duty it was to watch the activities of the Volksbanks and the Central Bank.

UNION OF JEWISH VOLKSBANKS.

On December 14th, 1920, a Union of Jewish Volksbanks was organized, consisting of representatives of all the Jewish Volksbanks in Lithuania. The task of the Union was to control and supervise the business activities of the individual Volksbanks. The expenditures of the Union, which now amount to $12,000 per annum, are largely covered by the Volksbanks, but the Central Bank contributes 36,000 litas each year for this purpose. As appears from our remarks about the Central Bank, we are now trying to strengthen the Union in order to make it a suitable instrument for the fulfillment of its above-mentioned task. Experience will show whether by the Union's participation in the three man commission and its closer connection with the work of the Foundation, and possibly by the granting of new credits, we shall succeed in our endeavor.

HOUSING RECONSTRUCTION.

Mention must also be made of the housing reconstruction work of the Reconstruction Department of the J. D. C. In 1915 the entire Jewish population of the province of Kowno was exiled and forced to leave its property and wealth behind. Upon their return most of the refugees found their homes completely destroyed. In 98 cities and towns some 8,000 Jewish dwellings had been demolished.

Up to June 1st, 1924, when the Foundation took over the work of the Reconstruction Department, 944 homes had been rebuilt and 285 repaired by the Reconstruc-

tion Department in 75 localities. The total cost of these operations amounted to 6,024,477 litas, of which the borrowers contributed 4,459,855 litas, or 74 per cent of the whole.

The Reconstruction Department had previously placed the sum of 24,000,000 German marks at the disposal of the Central Bank, of which 18,000,000 were assigned for reconstruction purposes. (When this sum had been repaid and converted into dollars, the total loss to the J. D. C. was $22,554).

Between June 1st, 1924, and December 31st, 1925, 389 homes were rebuilt and 71 repaired in five towns with the help of loans from the Foundation. The total cost of these operations amounted to 2,855,200 litas, of which sum the borrowers contributed 2,164,650 litas, or 75.8 per cent.

In 1926, 83 reconstruction loans were granted in 16 localities. These loans, 75 of which were for the rebuilding of houses and 8 for repairs, totalled 101,500 litas. The full cost of all construction and repair operations was 525,000 litas, so that the local population contributed 423,500 litas, or 80.7 per cent of the whole. The total amount of all housing loans reached (including the 1926 loans) a total of $166,066.77.

On account of the doubtless very difficult situation of some of the debtors, we shall certainly have to reckon with some losses, especially of loans that were granted by the J. D. C. While on the whole no heavy losses may be expected, we shall have to waive comparatively large claims in Ponevesh and Shavli. The sum of $1,374.26, however, was repaid in 1926, the first year that repayments were due. On account of the change in our relations with the Central Bank we freed it from any guarantees for eventual losses.

Balance Sheet of the Central Bank for the Furtherance of Jewish Cooperation in Lithuania, Kowno, December 31st, 1925

(Litas)

Assets		Liabilities	
Cash and Foreign Currency on Hand and Cash in State Bank	211,870.73	Capital Stock	1,053,500.00
Securities	62,875.00	Reserves	92,699.14
Credits Granted to Volksbanks:		Depreciation Reserve	178,495.00
a) General Credits	7,007,653.08	Undivided 1924 Profit	18,164.60
b) Housing „	1,592,887.65	Deposits	4,722,144.10
Credits Granted to Other Cooperatives	14,610.00	Credits from State Bank	520,608.85
Notes Discounted	869,207.33	„ „ „ „ (in Foreign Currency)	496,000.00
Advances on Merchandise	296,001.00	Notes Rediscounted	145,762.40
Demand Loans	3,002,731.45	Credits from Foundation	1,681,904.35
Branches	967,178.22	Correspondents "Nostro"	293,098.70
Real Estate	1,721,127.25	Correspondents "Loro"	1,001,351.54
Furniture and Fixtures	191,567.69	„ „ (in Foreign Currency)	5,141,713.93
Other Assets	68,556.93	Branches	967,178.22
Deferred Expenses	10,150.00	Remittances Payable	251,667.59
Collection Items	828,075 16	Unclaimed Dividends	39,925.00
Loss	627,613.74	Taxes Payable	37,555.05
		Interest Received in Advance	2,261.60
		Collection Items	828,075.16
	17,472,105.23		17,472,105.23

Profit and Loss Account, December 31st, 1925

(Litas)

Debit		Credit	
Administrative Expenses	1,978,945.58	Interest on Notes Discounted and Demand Loans	1,004,247.52
Interest Paid on Deposits	208,368.97	Interest Earned on Other Credits	883,109.40
„ „ „ Current Accounts	608,376.76	Other Interest and Commissions Earned	256,265.72
„ „ „ Notes Rediscounted	39,161.31	Revenue from Real Estate	85,684.04
Bad Debts Written Off	123,094.15	Earnings of Branches	101,026.35
		Loss	627,613.74
	2,957,946.77		2,957,946.77

Balance Sheet of the Central Bank for the Furtherance of Jewish Cooperation Lithuania, Kowno, December 31st, 1926.

(Litas)

Assets		Liabilities	
Cash and Foreign Currency on Hand and Cash in State Bank	587,531.14	Capital Stock	3,053,500.00
Securities	65,122.50	Reserve	10,000.00
Credits Granted to Volksbanks	4,595,846.85	Depreciation Reserve	122,895.00
Notes Discounted	3,372,955.83	Deposits	3,848,241.45
Advances on Collateral Security	78,488.38	Credits from State Bank	1,822,775.96
Demand Loans	2,530,218.67	Correspondents	4,377,062.01
Sundry Debtors	229,310.78	Sundry Creditors	333,483.53
Correspondents	302,854.92	Sundry Creditors in Foreign Currency	61,289.72
Branches	530,684.34	Branches	534,306.46
Real Estate	1,726,127.25	Unclaimed Dividends	22,595.00
Furniture and Fixtures	195,127.69	Taxes Payable	46,775.31
Deferred Expenses	34,473.00	Interest Received in Advance	14,735.91
		Net Profit	1,081.00
	14,248,741.35		14,248,741.35
Guarantees	1,323,370.14	Guarantees	1,323,370.14
Collection Items	2,874,526.61	Collection Items	2,874,526.61
Notes for Collection Received from Foundation	1,521,550.86	Foundation — Notes for Collection	1,521,550.86
Notes Deposited as Security	1,778,654.68	Notes Deposited	1,778,654.68

Profit and Loss Account, December 31st, 1926.

(Litas)

Debit		Credit	
Administrative Expenses	1,031,471.27	Interest on Notes Discounted	452,221.27
Interest Paid on Deposits	248,286.13	Interest Earned on Credits	1,331,083.19
Interest Paid on Current Accounts	645,265.65	Commissions Earned on Collections and Remittances, Exchange Variance etc.	500,546.33
Interest Paid on Notes Rediscounted	80,319.19	Revenue from Real Estate	118,587.88
Commissions Paid	156,897.85	Collected on a/c of Bad Debts Formerly Written Off	3,555.00
Bad Debts Written Off	146,866.75		
Reserve for Taxes	95,805.83		
Net Profit	1,081.00		
	2,405,993.67		2,405,993.67

BALANCE SHEET OF 82 JEWISH

December 31st, 1925

ASSETS (LITAS)

Town	Cash on Hand	Securities	LOANS OUTSTANDING			
			Long-Term	Short-Term	Advances	Housing Loans
Airogolo	364.48	1,435.00	16,543.97	17,350.00	—	14,002.00
Alita (I)	554.84	600.00	35,224.90	—	—	10,382.11
Alita (II)	2,256.75	24,765.00	54,566.49	225,499.62	13,980.00	11,705.00
Aniksht	3,036.64	11,300.00	60,148.85	104,563.12	612.05	36,111.75
Birzh	2,234.52	8,257.40	20,911.00	101,128.00	7,299.10	18,991.82
Butrimantz	8,860.30	9,010.00	16,995.90	40,921.70	—	3,700.00
Daug	51.70	1,060.00	17,609.10	14,719.45	—	21,484.85
Dorbian	727.43	—	6,885.50	2,400.00	800.66	—
Dusiat	4,874.21	2,120.00	5,212.00	35,340.00	2,808.90	—
Ezhereny	841.78	5,980.00	31,160.00	35,709.60	778 90	20,766.27
Gorzhd	30,794.74	3,114 00	24,968.20	50,448.60	248.00	3,600.00
Kalvaria	4,164.77	8,200.00	29,767.38	104,805.03	—	37,850.00
Keidan	2,150.62	28,006.00	163,171.42	132,978.98	10,572.25	46,921.83
Kelm	1,430.50	3,280.00	25,137.00	16,805.25	5,976.81	6,900.00
Koshedar	420.56	3,710.00	30,840.20	13,625.00	4,876.20	13,100.00
Kovarsk	4,818.42	3,710.00	25,384.00	15,304.33	1,468 00	10,630.00
Kovno	28,447.87	32,875.00	216,745.45	1,038,148.69	—	141,295.20
Krakinovo	4.93	6,890.00	31,566.43	10,915.00	365.00	32,620.00
Kretingen	1,476.28	5,978.00	41,523.20	37,800.66	—	16,590.40
Kroki	12,267.75	5,400.00	40,735.41	26,533.30	50.00	37,730.50
Kupishki	2,133.07	16,500.00	81,284 82	279,928.30	250.00	27,654.77
Kurkli	160.16	1,889.33	12,174.00	10,450.00	—	940 00
Kurshan	12,735.68	16,650.00	40,078.10	72,263.52	2,665.80	2,660.00
Lazdey	788.44	5,300.00	20,553.07	90,008 97	5,020.00	45,814.02
Linkovo	2,667.68	3,860.00	31,146.00	77,360.00	97.00	3,218.00
Luknik	1,079.67	1,210.00	11,128.00	19,640.20	252.00	—
Maliat	5,883.26	6,542.00	59,100.87	76,293.75	—	12,265.00
Mariampol	1,089.55	8,300.00	60,429.35	159,390.53	1,060.00	750.00
Mazheik	9,634.58	16,798.00	47,731.00	137,792.83	218.00	16,000.00
Meretch	4,469.73	5,854.00	66,532.84	76,321.10	11,063.58	28,198.63
Nemoksht	2,586.76	6,130.00	14,353.00	16,614.49	475.00	2,491.00
Okmian	4,551.95	1,590 00	7,935.75	14,048.20	—	1,024.60
Oran	945.89	530.00	9,878.53	8,898.71	—	13,635.00
Palangen	1,191.98	—	5,400.00	10,150.00	—	—
Pikeli	11,420.26	1,690.00	12,705.50	34,495.16	48.50	—
Pilvishki	1,965.95	7,420.00	25,073.00	107,951.51	2,640.00	53,986.84
Plungian	2,380.64	9,890.00	41,382.14	50,407.93	1,838.50	—
Ponevesh	6,368.39	13,500.00	256,758.59	21,805.31	—	167,944.57
Popelan	2,830.07	1,060.00	8,144.00	15,133.00	—	4,192.50
Posvol	7,656.44	2,675.00	14,348.70	63,400.43	125.00	19,441.60
Pren	3,249.00	10,850.00	18,794.84	82,167.15	—	4,075.00
Radvilishki	4,010.74	5,786.00	32,436.94	72,809.51	—	5,917.70

VOLKSBANKS IN LITHUANIA.

December 31st, 1925

(LITAS) ASSETS

Correspondents	Furniture and Fixtures	Suspense Accounts	Collection Items	Loss	Total
—	—	—	2,670.73	—	52,366.18
4,756.82	229.83	—	—	—	51,748.50
—	3,911.40	13,030.70	45,773.67	—	395,488.63
—	395.67	—	25,858.39	—	242,026.47
1,000.00	620.75	—	50,175.07	—	210,617.66
—	679.50	1,269.00	10,734.10	—	92,170.50
200.00	140.00	517.68	253.85	—	56,036.63
100.00	—	100.00	3,897.09	—	14,910.68
—	2,067.46	—	22,619.85	—	75,042.42
100.00	4,023.25	—	16,056.73	—	115,416 53
1,297.10	3,839.60	4,459.90	7,123.00	89.86	129,983.00
1,918.49	1,246.30	—	18,268.35	—	206,220.32
3,647.60	2,008.31	318.30	62,486.57	—	452,261.88
—	844.50	—	52,144.14	235.11	112,753.31
—	861.90	383.75	2,390.00	—	70,207.61
—	1,426.50	—	6,244.45	—	68,985.70
611.86	10,031.76	10,811.85	708,879.61	—	2,187,847.29
—	269.25	5,214.90	9,007.92	2,737.68	99,591.11
—	1,857.65	22,802.95	8,363.41	—	136,392 55
36.00	7,490.67	3,103.94	—	456.21	133,803.78
—	1,730.00	—	35,705.00	9,911.21	455,097.17
—	90.00	8.60	5,144.53	—	30,856.62
376.10	1,700.49	2,466.70	60,048.38	1,888.08	213,532.85
651.25	2,970.00	5,227.69	590.00	—	176,923.44
3,463.47	323.28	606.00	24,151.91	—	146,893.34
1,276.05	1,305.00	—	9,876.91	—	45,767.83
—	1,127.60	—	45,384.94	—	206,597.42
2,167.60	1,104.00	—	25,002.87	—	259,293.90
1,003.73	3,955.95	1,092.25	73,062.70	—	307,289.04
—	689.35	1,679.77	52,719.87	—	247,528.87
—	1,803.40	7,581.31	14,407.14	1,559.99	68,002.09
—	1,330.10	—	5,245.57	261.98	35,988.15
—	35.00	5,801.09	1,253.34	—	40,977.56
—	—	251.62	2,591.34	339.15	19,924.09
591.80	319.10	—	—	—	61,270.32
—	796.20	—	23,007.56	3,454.89	226,295.95
8,462.69	7,157.70	2,075.65	25,712.36	—	149,307.61
—	2,200.00	400.00	—	—	468,976.86
—	1,270.00	—	8,618.64	415.83	41,664.04
50 00	602.64	—	4,117.37	—	112,417.18
2,180.78	3,577.30	7,663.70	15,416.94	—	147,974.71
—	1,074.75	3,799.81	20,065.82	2,480.57	148,381.84

BALANCE SHEET OF 82 JEWISH

December 31st, 1925

ASSETS (LITAS)

Town	Cash on Hand	Securities	LOANS OUTSTANDING			
			Long-Term	Short-Term	Advances	Housing Loans
Rakishki	4,368.72	22,922.70	76,276.70	196,541.28	6,285.38	56,119.62
Rassein	12,757.21	10,600.00	135,430.00	60,802.32	1,724.36	1,624.00
Rogovo	3,039.03	1,690.00	14,836.50	16,180.38	3,521.50	785.00
Salant	2,979.45	2,700.00	—	34,177.54	—	2,500.00
Salok	467.78	4,340.00	58,779.81	58,215.98	250.00	8,692.05
Serhey	5,831.86	5,936.00	15,210.00	56,920.40	2,500.00	8,087.40
Shadovo	897.83	4,240.00	60,946.34	14,664.34	336,70	33,559.00
Shaki	2,131.40	—	8,985.00	23,240.11	—	—
Shat	1,610.30	760.00	24,043.23	14,048.88	600.00	30,337.64
Shavli	6,668.69	36,700.00	180,348.10	399,682.66	—	152,982.87
Shkud	4,892.88	5,880.00	28,700.46	61,419.09	—	—
Shkudvil	3,083.90	7,420.00	24,828.50	57,368.00	900.00	10,960.00
Siad	10,743.91	4,770.00	27,743.12	52,766.98	8,541.20	—
Simna	2,632.86	7,547.50	29,045.00	65,766.09	3,250.00	10,999,37
Srednik	3,574.35	3,735.00	15,075.00	45,525.00	750.00	50,060.60
Tavrig	4,163.32	9,460.00	159,220.65	—	—	29,602.23
Tchaikishki	5,102.93	462.70	10,475.00	8,450.00	—	2,255.00
Telzh	1,978.98	6,610.00	42,451.05	44,607.28	5,546.75	7,800.00
Trashkun	7,325.37	2,120.00	13,100.00	16,290.00	—	9,067,50
Ushpol	2,630.69	—	9,433.00	19,463.20	—	11,060.00
Utian	1,636.56	26,500.00	88,644.38	99,828.69	12,064.77	19,033.00
Vashki	1,331.74	1,590.00	11,909.00	34,200.00	—	9,630.00
Vekshne	6,350 95	10,795.00	81,261.31	53,671.16	2,218.20	35,015.97
Vendzigolo	351.57	1,840.00	14,644.75	15,050.00	—	8,626.50
Vilki	2,339.07	3,875.00	26,616.00	19,693.45	1,605.00	20,133.50
Vilkomir	3,520 84	29,801.05	88,962.65	107,917.07	1,250.00	12,627.20
Vilkovishki	3,237.90	27,910.00	113,875.70	184,974.64	—	40,525.83
Virbalen (Kibarty)	701.66	7,090.00	33,211.11	950.00	—	3,433.50
Vizhun	402 80	2,650.00	16,693.00	24,055.00	—	9,569.55
Vladislavovo	2,576.72	6,409 00	31,236.48	102,162.57	619.65	38,669.00
Vobolnik	649.59	2,754.00	14,335.00	36,185.00	846.10	15,745.00
Vorno	14,048.94	3,910.00	10,954.00	67,628.00	—	1,100.00
Yanishki	29.13	17,490.00	86,364.00	—	25.00	6,538.00
Yanovo	13,499.77	16,700·00	59,380.00	89,959.08	—	4,030.00
Yelok	3,889.54	3,760.00	10,051.00	29,870.00	—	4,340.00
Yurburg	1,409 84	18,750.00	58,703.92	216,544.41	—	308.53
Zhagor	1,197.83	14,030.00	53,803.00	46,546.00	1,610.75	—
Zhezmer	254.65	6,890.00	29,449.50	39,875.18	1,600.00	44,231.00
Zhidik	1,045.20	2,650.00	7,475.95	24,272.91	247.50	—
Zhosli	4,973.75	7,950.00	48,953.20	25,444.25	600.00	38,634.28
Total	349,908.49	660,952.68	3,593,916.85	5,987,283.87	132,482.11	1,633,274.10

VOLKSBANKS IN LITHUANIA

December 31st, 1925

(LITAS)

ASSETS

Correspondents	Furniture and Fixtures	Suspense Accounts	Collection Items	Loss	Total
2,299.05	36,768.49	3,871.81	41,216.45	—	446,670.20
—	851,00	—	—	—	223,788.89
1,008.00	668.45	970.00	7,164.00	—	49,862 86
—	1,431.50	—	12,857.97	—	56,646.46
100.00	1,738.55	24,949.75	8,754.60	—	166,288.52
328.72	1,863.68	—	13,407.46	—	110,085.52
—	125.00	—	27,623.56	—	142,392.77
—	1,286.10	—	14,004.63	—	49,647.24
—	855.20	7,690.14	6,898.45	4,181.28	91,025.12
—	11,433.17	27,069.05	233,908.36	21,026.22	1,069,819.12
—	2,441.00	—	14,796.57	—	118,130.00
—	—	—	21,438.75	—	125,999.15
—	1,625.77	2,185.49	34,472.78	—	142,849.25
—	542.45	—	58,028.18	—	177,811.45
—	740.90	698.45	14,041 04	—	134,200.34
1,055.34	773.44	3,838.00	29,430.52	—	237,543.50
—	50.00	45.00	—	—	26,840.63
2,113.59	335.34	1,233.50	25,058.91	—	147,735.40
100.00	149.00	—	—	—	48,151.87
—	1,338.50	—	7,313.87	663.55	51,902.81
100.00	22,346.86	—	40,742.60	—	310,896.86
—	199.00	—	5,248.00	—	64,107.74
—	2,533.29	5,021.93	152,187.49	—	349,055.30
—	2,543.01	—	691.20	34.25	43,781.28
—	715.03	—	28,244.34	—	103,221.39
7,347.87	2,232.40	531.75	75,617.07	4,501.84	334,309.74
8,100.00	3,106.60	52,924.13	12,334.07	1,641.96	448,630 83
—	790.00	2,380.00	24,630.36	—	73,186.63
—	1,407.50	—	10,177 14	—	64,954.99
—	1,748.40	—	13,257.59	—	196,679.41
—	1,367.98	429.97	10,708.77	—	83,021.41
—	1,912.40	—	13,269.94	—	112,823.28
—	1,962.15	13,518.69	40,703.25	—	166,630.22
—	1,814.60	27,847.24	108,321.74	—	321,552.43
—	1,470.00	—	6,738.12	—	60,118 66
—	5,047.60	—	98,308.62	—	399,072.92
114.87	791.16	—	13,866.73	—	131,960 34
—	7,585.36	18,941.09	16,478 78	13,537.77	178,843.33
—	1,038.15	—	12,215.55	—	48,945.26
—	8,006.00	—	4,478.70	1,673 42	140,713.60
56,558.78	210,741.19	294,813.15	2,763,706.28	71,090.85	15,754,728.35

BALANCE SHEET OF 82 JEWISH

December 31st, 1925

LIABILITIES (LITAS)

Town	Share Capital	General Reserve	Special Reserves	DEPOSITS	
				Demand and Time Deposits	Savings Deposits
Airogolo	5,955.00	305.79	—	2,117.87	874.55
Alita (I)	4,053.00	760.98	—	13,698.15	4,281.73
Alita (II)	16,995.00	6,109.14	48,600.50	29,033.11	—
Aniksht	15,448.00	3,074.10	—	13,436.64	—
Birzh	16,241.50	4 242.62	—	8,290.90	654.85
Burtrimantz	4,532.50	75.20	—	1,540.00	—
Daug	3,119.50	—	—	12,069.55	1,218.20
Dorbian	1,460.00	—	—	—	—
Dusiat	6,128.50	67.45	—	8,637.75	397.10
Ezhereny	7,520.50	2,220.00	2,681.86	12,783.60	—
Gorzhd	15,070.00	2,907.17	1,650.00	15,597.81	2,580.61
Kalvaria	9,040.00	1,636.93	—	12,139.53	735.82
Keidan	18,052.00	13,596.72	—	37,506.95	258,00
Kelm	9,500.00	907.65	1,609.51	11,662.69	3,742.25
Koshedar	5,374.00	651.11	107.00	10,835.70	139,00
Kovarsk	5,360.00	1,302.03	111.31	117.50	—
Kovno	171,549.75	24,613.50	21,050.40	323,443.29	6,731.77
Krakinovo	9,266.00	45.97	3,299.79	3,561.00	113.00
Kretingen	10,706.56	11,699.56	—	7,226.27	2,568.35
Kroki	7,695.25	1,051.61	100.00	268.00	96.00
Kupishki	12,030.00	7,398.96	—	2,534.07	219.33
Kurkli	2,579.00	1,225.24	—	—	422.63
Kurshan	23,975.00	696.73	—	48,831.33	264.90
Lazdey	11,088,75	195.14	—	16,359.60	2,042.72
Linkovo	8,855.50	2,141.96	—	48,673.82	6,283.71
Luknik	4 379.00	1,346.67	—	4,898.50	5,722.46
Maliat	10,351.26	3,135.14	—	9,873.84	368.40
Mariampol	32,435.00	8,832.36	—	38,283.75	5,999.60
Mazheik	17,085.00	2,647.61	3,898.78	45,013.32	367.19
Meretch	8,978.21	3,295.39	—	30,214.90	4,911.25
Nemoksht	5,975.00	926.90	—	17.00	992.10
Okmian	2.117.00	179.68	—	100.00	70.10
Oran	2,397.00	457.14	—	—	—
Palangen	3,759.50	—	—	494.96	273.77
Pikeli	4.885.00	1,650.95	425.00	24,090.00	633.80
Pilvishki	7.065.00	5,476.19	62.76	4,800.00	752.20
Plungian	13.868.00	4,347.42	3,985.88	18,768.70	13,010.12
Ponevesh	54,320.00	51,268.33	7,815.54	50,939.11	4,500.60
Popelan	2,835.00	167.91	—	8,267.50	2,583.55
Posvol	7,096.00	504.00	5,424.83	14,068.73	1,859.55
Pren	13,360.00	387.03	—	3,438.85	365.75
Radvilishki	7,285.00	4,222.87	—	8,909.88	—

VOLKSBANKS IN LITHUANIA.

December 31st, 1925

(LITAS)

LIABILITIES

CREDITS RECEIVED				Remittances Payable	Suspense Accounts	Collection Items	Net Profit	Total
From Central Bank			From Other Institutions					
Long-Term	Credits in Current Account	Housing Credits						
10,000,00	12,114.95	15,747.00	—	—	147.75	2,670.73	2,432.54	52,366.18
12,880.00	—	13,662.00	—	—	738.00	100.00	1,574.64	51,748 50
50,000.00	160,788.97	15,225.00	—	370.00	3,005.79	43,839.28	21,521.84	395,488.63
38,000.00	99,530.97	36,111.75	2,060.60	350.00	—	25,858.39	8,156.02	242,026.47
40,000.00	69,799.78	17,593.16	—	350.00	128.25	50,175.07	3,141.53	210,617.66
22,000.00	42,074.38	4,809.00	4,192.76	357.70	95.80	11,374.85	1,118.31	92,170.50
13,000.00	3,113.53	23,100.00	116.00	—	—	253.85	46.00	56,036.63
—	9,505.32	—	—	—	—	3,897.09	48,27	14,910.68
15,000.00	17,540.82	—	—	—	4,141.31	22,619.85	509.64	75,042.42
25,000.00	20,139.76	21,825.00	1,524.31	—	1,531.68	17,044.23	3,145.59	115,416.53
15,000.00	45,774.44	3,770.00	—	—	—	27,632.97	—	129,983.00
35,000.00	82,099.97	38,175.00	3,618.05	450.00	843.97	20,186.84	2,294.21	206,220.32
85,000.00	187,465.97	37,690.89	2,874.69	300.00	5,406.44	62,486.57	1,623.65	452,261.88
19,680.00	2,992.72	7,086.50	220.00	2,761.00	446.85	52,144.14	—	112,753.31
15,000.00	20,906.92	14,192.00	99.47	450.00	—	2,448.00	4.41	70,207.61
19,710.00	22,693.06	12,605.00	—	304.00	—	6,244.45	538.35	68,985.70
140,000.00	190,651.14	136,351.00	408,320.46	8,305.00	50,190.13	703,775.75	2,865.10	2,187.847.29
25,000.00	14,539.08	34,628.00	130.35	—	—	9,007.92		99,591.11
35,300.00	41,664.48	16,840.40	—	880.00	—	8,363.41	1,143.52	136,392.55
25,000.00	51,309.14	37,480.50	—	—	—	10,803.28	—	133,803.78
50,000.00	278,167.01	31,333.33	—	2,721.30	460.55	70,232.62	—	455,097.17
10,000.00	10,386.05	925.00	—	—	—	5,144.53	174,17	30,856.62
38,000.00	31,964.24	2,660.00	1,704.06	600.00	—	64.836.59	—	213,532.85
25,000.00	65,645.70	51,964.02	216.80	—	—	590.00	3,820.71	176,923.44
20,000.00	27,567.76	3.190.00	1,047.99	150.00	895.35	24,474.28	3,612.97	146,893.34
10,000.00	6,797.00	—	—	50.00	1,625.26	9,876.91	1,072.03	45,767.83
40,000.00	75,683.78	20,255.00	—	350.00	—	45,384.94	1,195.06	206,597.42
44,100.00	85,299,12	2,000.00	1,364.04	5,045.00	2 813.24	24,649.57	8,472.22	259,293.90
40,000.00	97,754.43	16,305.77	—	350.00	995.13	77,786.11	5,085.70	307,289.04
45,000.00	73,324.59	27,810.68	—	250.00	—	52,719.87	1,023.98	247,528.87
20,000 00	21,755.35	1,500.30	—	1,337.60	1,090.70	14,407.14	—	68,002.09
12,590.00	15,123.30	562.50	—	—	—	5,245.57	—	35,988.15
10,000.00	6,246.94	14,110.00	—	—	5,328.47	1,253.34	1,184.67	40,977.56
8,000.00	4,804.52	—	—	—	—	2.591.34	—	19,924.09
10,590.00	7,976.44	—	172.20	100.00	3;141.93	5,484.60	2,120.40	61,270.32
25,000.00	101,702.40	56,429.84	—	—	2,000.00	23,007.56	—	226,295.95
30,000.00	26,630.67	—	—	300.00	5,268.14	25,712.36	7,416.32	149,307.61
98,800.00	3,673.04	172,089.33	—	600.00	18,107.02	—	6,863.89	468,976.86
8,000.00	3,506.02	4192.50	—	413.59	3,079.33	8,618.64	—	41,664.04
20,000.00	36,114.02	19,441.60	—	300.00	385.84	4,117.37	3,105.24	112,417.18
28,000.00	80,841.99	4,075.00	1,507.57	290.00	—	15,416.94	291.58	147,974.71
24,850.00	67,199.48	8.197.70	21,220.20	279.30	—	6,217.41	—	148,381.84

BALANCE SHEET OF 82 JEWISH

December 31st, 1925

LIABILITIES

(LITAS)

Town	Share Capital	General Reserve	Special Reserves	DEPOSITS	
				Demand and Time Deposits	Savings Deposits
Rakishki	17,354.00	32,829.94	9,648.75	23,892.11	4,560.94
Rassein	19,918.00	177.54	4,852.80	48,227.07	2,331.65
Rogovo	1,995.00	984.26	—	6,077.00	444.00
Salant	4,790.00	1,177.02	315.54	11,830.00	2,785.00
Salok	7,290,50	2,118.13	—	20,900.83	386.75
Serhey	6,905.00	391.57	56.00	26,025.35	1,620.15
Shadovo	7,850.00	867.21	370.00	6,855.13	—
Shaki	6,570.00	—	—	2,363.25	223.45
Shat	4,933.50	—	—	1,972.96	32.97
Shavli	5,203.50	—	—	15,803.86	1,922.60
Shkud	14,930.00	11,730.80	—	4,008.00	2,743.53
Shkudvil	6,200.00	3,298 70	—	28,700.00	1,150.00
Siad	7,945.50	1,475.21	—	3,451.62	322.60
Simna	8,758.00	2,920.94	—	16,855.03	1,329.80
Srednik	5,280.00	4,138.65	—	146.70	1,001.05
Tavrig	27,900.00	3,374.99	3,300.00	29,666.70	1,264.62
Tchaikishki	2,666.00	542.43	—	1,109.40	3,031.72
Telzh	9,599.20	2,675 41	—	29,658.27	2,291.20
Trashkun	4,454.00	536.74	300.00	1,702.00	1,055.50
Ushpol	4,043.00	716.25	250.00	374.01	3,250.99
Utian	28,027.13	11,773.85	—	25,275.84	572.42
Vashki	8,390.00	214 58	—	—	—
Vekshne	12,260.00	1,041.72	—	10,526.18	889.75
Vendzigolo	2,874 00	201.60	—	—	391.81
Vilki	4,969.00	1,511.90	106 11	2,968.29	377.60
Vilkomir	33,430.00	11,839.15	605.77	7,689.50	476.00
Vilkovishki	35,822.00	10,746.67	4,000.00	22,853.08	2,660.16
Virbalen (Kibarty)	11,367.50	4,072.63	—	3,000.00	2,027.80
Vizhun	4,730.00	3,998.40	—	587.00	3,086.44
Vladislavovo	8,785.00	6,192.45	—	37,213.36	1,059.10
Vobolnik	4,222.00	957.37	—	21,662.50	839.95
Vorno	7,334.35	1,803.61	1,467.21	8,350.00	222.00
Yanishki	16,323.00	2,878.45	4,042.59	9,934.11	—
Yanovo	19,566.00	3,494.30	7,291.10	64,525.33	4,583.50
Yelok	8,515.00	2,640.50	—	2,371.65	680.90
Yurburg	30,845.00	21,389.96	—	39,177.22	1,009.00
Zhagor	16,850.00	5,647.74	1,947.99	33,651.41	1,211.05
Zhezmer	8,165.00	2,468.00	—	150.00	46.18
Zhidik	4,645.00	1,776.82	—	3,255.00	722.55
Zhosli	8,605.00	954.45	445.00	331.00	540.00
Total	1,050,096.46	341,331.09	139,822.02	1,475,684.93	129,179.69

VOLKSBANKS IN LITHUANIA.

December 31st, 1925

(LITAS)

LIABILITIES

CREDITS RECEIVED				Remittances Payable	Suspense Accounts	Collection Items	Net Profit	Total
From Central Bank			From Other Institutions					
Long-Term	Credits in Current Account	Housing Credits						
60,000.00	185,607.08	62,209.19	—	230.00	—	41,216.45	9,121.74	446,670.20
58,600.00	82,895.40	1,674 00	—	250.00	1,394.45	—	3,467.98	223,788.89
16,000.00	12,944.03	785.00	844.75	—	—	8,754.00	1,034.82	49,862.86
16,650.00	1,988.39	2,500.00	—	—	—	12,857.97	1,752.54	56,646.46
25,000.00	82,682.10	13,442.13	1,248.49	600.00	—	8,754.60	3,864.99	166,288.52
22,000.00	29,117.69	8,755 00	—	360.00	270,23	13,407.46	1,177.07	110,085.52
25,000.00	37,537.80	33,559.00	—	—	1,688.75	27,623.56	1,041.32	142,392.77
15,000.00	7,202.28	—	—	450.00	3,610.41	14,004.63	223.22	49,647.24
17,000.00	26,742.72	32,345.89	141.85	50.00	—	7,805 23	—	91,025.12
130,000.00	324,793,88	121,360.00	227,405.99	2,492.00	7,428.93	233,408.36	—	1,069,819.12
25,000.00	42,308 60	—	—	—	771.49	14,796.57	1,841.01	118,130.00
25,000.00	25,098.87	10,960.00	—	400.00	814.60	21,438.75	2,938.23	125.999.15
23,000.00	58,549.08	—	4,799.28	5,917.00	—	34,472.78	2,916.18	142,849.25
25,000.00	37,847.37	13,128.44	5,621.50	400.00	2,122.31	61,278.18	2,549.88	177,811.45
18.000.00	39,468.47	50,120.60	1,434.50	—	—	14,591.04	19.33	134,200.34
28,950.00	61,066.53	29,552.33	3,187.25	12,349.20	—	32,160.92	4,770.96	237,543.50
8,000.00	5,533 64	2,070.00	185.00	—	320.00	2,951.94	430.50	26,840.63
24,360.00	23,091.21	7,765.00	2,074.92	400.00	5,067.31	25,058.91	5,693.97	137,735.40
10,000 00	15,464.99	9,067.50	—	—	128.50	3,579.16	1,863.48	48,151.87
12,150 00	12,604.04	11,060.00	—	—	140.65	7,313.87	—	51,902.81
55,000 00	124,272.46	17,777.50	3,321.78	781.10	843.42	40,742.60	2,508.76	310,896.86
10,000.00	30,254.97	9,630.00	—	—	—	5,248.00	370.19	64,107.74
20,000.00	100,372.09	32,582 10	5,320.75	—	3,928 77	152,187.49	9,946,45	349,055.30
12,000.00	18,696.92	8,626.50	—	—	299.25	691.20	—	43,781.28
20,710.00	20,204.67	19,840.00	1,400.49	1,000 00	700 00	29,206.84	226.49	103,221.39
70,000.00	111,268.25	12,627.20	—	10,756.80	—	75,617.07	—	334,309.74
70,000.00	181,739.70	8,641.00	—	—	—	112,168.22	—	448,630.83
17,102.12	24,997.86	3,433.50	—	—	5,600.00	—	1,585.22	73,186.63
13,000.00	16,871.44	10,115.75	41.00	—	375.86	10,177.14	1,971.96	64,954.99
34,000.00	59,940 57	29,653.00	—	1,917.82	1,173 66	13,257.59	3,486.86	196,679.41
15,000 00	9,815.33	16,745.00	—	200.00	1,041.00	11,188.74	1,349.52	83,021.41
17,000.00	35,000 00	1,500.00	26,624.74	100.00	—	13,269.94	151.43	112,823.28
47,490.00	37,756.38	4,528.59	1,920.30	50.00	—	40,703.25	1,003.55	166,630.22
45,000.00	12,106.27	7,107 00	8,843.07	2,100.00	29,998 46	113,689.06	3,248.34	321,552.43
15.000.00	18,579.19	4,340.00	—	—	25.00	6,738.12	1,228.30	60,118.66
35,000.00	139,882.96	299.99	4,561.30	500.00	14,711.67	98,508.62	13,187.20	399,072.92
31,250 00	21,995.05	—	—	600.00	1,847.00	13,866.73	3,093.37	131,960.34
25,000.00	78,293.37	43,991.00	1,009.42	250.00	1,391.58	18,078.78	—	178,843.33
12,000.00	12,260.45	—	851.11	15.00	100.00	12,230.55	1,088.78	48,945.26
25,000,00	58,508.87	38,536.08	2,175.47	350.00	119.00	5,148.73	—	140,713.60
2,432,762.12	4,448,230.22	1,604,263.06	753,402.51	70,533.41	197,779.23	2,926,887.41	184,756.20	15,754,728.35

BALANCE SHEET OF THE

December 31st, 1926

ASSETS (LITAS)

Town	Cash on Hand	Securities	LOANS OUTSTANDING			
			Long-Term	Short-Term	Advances	Loans for Housing Reconstruction and Machines
Airogolo	7,889.13	—	15,137.81	41,650.00	100.00	9,820.00
Alita (I)	4,940.98	600.00	29,094.99	5,775.00	5,996.12	11,767.66
Alita (II)	9,600.00	17,523.00	—	29,884.00	218,929.00	9,195.00
Aniksht	3,887.60	7,200.00	57,292.00	99,681.91	2,500.50	31,867.64
Birzh	4,672.13	10,407.40	63,939.25	111,961.07	495.00	9,778.16
Butrimantz	9,304.00	9,211.00	15,219.00	62,623.00	215.00	1,701.00
Daug	2,796.10	750.00	19,926.84	32,851.51	—	29,923.75
Dusiat	10,380.39	1,450.00	7,390.75	35,403.20	—	—
Ezhereny	3,475.39	3,800.00	33,432.26	47,118.83	1,568.68	18,089.27
Gorzhd	1,865.22	2,277.00	9,044.90	64,608.00	1,514.80	20,260 00
Kalvaria	1,503.67	5,200.00	27,651.02	86,577.51	—	30,225.00
Keidan	3,817.47	17,800.00	91,736.02	194,329.21	13,039.60	44,558.88
Kelm	5,770.94	5,400.00	23,875.00	31,661.50	11,518.00	6,130.00
Koshedar	1,695.36	2,400.00	26,519.57	16,239.81	200.00	9,740.00
Kovarsk	3,137.64	2,660.00	23,945.18	13,450.84	2,540.00	8,987.00
Kovno	16,119.23	23,875.00	214,465.80	653,815.29	—	148,593.15
Krakinovo	77.26	4,723.34	26,454.75	12,180.00	255.00	23,294.45
Kretingen	4,416.59	7,278.00	37,498.35	36,902.82	525.00	13,017.40
Kroki	8,296.18	3,400.00	37,875.74	19,123.18	100.00	36,400.30
Kupishki	3,905.67	11,050.00	75,584.46	152,339.28	10,016.93	30,642.27
Kurkli	767.24	1,249.33	11,770.50	7,650.00	—	675.00
Kurshan	4,576.41	11,300.00	29,173.22	75,757.34	14,788.00	3,095.00
Lazdey	2,390.01	3,400.00	31,879.75	54,119.90	1,330.00	44,562.02
Linkovo	5,154.86	2,600.00	27,692.90	103,113.44	1,955.65	2,085.00
Luknik	3,819.96	803.34	11,467.32	17,375.64	26.00	—
Maliat	7,767.00	4,500.00	35,524.00	78,274.00	15,993.00	9,780.00
Mariampol	6,194.09	15,750.00	57,012.10	181,201.16	—	2,093.75
Mazheik	3,668.21	10,650.00	42,718.00	148,440.98	12,634.00	10,745.00
Memel	1,223.00	—	—	—	92,769.00	—
Meretch	5,666.72	3,837.34	70,575.08	71,370.00	8,480.08	24,949.16
Nemoksht	1,360.21	3,876.00	13,866.18	14,735.45	674.75	650.30
Okmian	6,612.02	1,110.00	8,159.00	14,302.58	392.50	1,024.60
Oran	3,568.85	530.00	8,533.86	7,369.60	—	11,609.00
Palangen	1,150.00	—	13,286.00	19,912.40	1,060.00	—
Pikeli	5,423.10	1,190.00	6,308.05	25,595.74	197.50	—
Pilvishki	4,748.17	5,086.67	15,877.00	64,811.65	4,463.80	49,007.79
Plungian	13,042.99	6,250.00	44,930.29	68,982.96	659.75	—
Ponevesh	8,257.62	8,800.00	275,245.15	110,532.28	610.15	161,761.64
Popelian	6,485.96	700.00	11,149.92	25,410.00	641.90	2,842.50
Posvol	4,525.94	1,809.00	12,432.45	77,962.25	1,077.40	18,723.00
Pren	1,961.55	6,900.00	13,711.40	54,441.89	—	3,985.00
Radvilishki	11,743.83	4,106.00	15,616.37	57,931.32	120.00	3,705.00
Rakishki	1,146.29	16,256.04	59,566.47	221,616.03	11,972.32	50,444.95

December 31st, 1926
(LITAS)

ASSETS

Correspondents	Furniture, Fixtures and Real Estate	Suspense Accounts	Collection Items	Administration Expenses (of 4 Volksbanks)	Loss	Total
—	1,968.50	—	15,753.92	—	—	92,319.36
245.88	1,460.00	875.00	24,862.95	—	—	85,618.58
12,748.00	3,986.00	—	290,294.00	46,180.00	—	638,339.00
377.45	547.42	4,554.75	119,698.65	—	—	327,607.92
1,393.30	728.15	—	84,713.68	—	—	288,088.14
193.00	1,327.00	—	24,764.00	18,701.00	—	143,258.00
1,563.94	938.10	—	5,454.61	—	—	94,204.85
—	2,236.81	—	55,736.47	—	—	112,597.62
100.00	4,206.25	—	19,049.81	—	—	130,840.49
3,789.75	3,478.60	4,118.83	21,749.92	—	2,292.00	134,999.02
26,443.53	1,322.30	60.00	39,249.37	—	2,929.59	221,161.99
4,396.77	2,210.31	6,411.87	110,905.40	—	37,791.76	526,997.29
—	760.05	—	122,113.19	—	2,412.02	209,640.70
100.00	947.90	595.57	13,643.97	—	1,543.51	73,625.69
—	1,426.50	—	11,857.99	—	1,593.72	69,598.87
4,728.08	10,031.76	1,870.79	138,731.31	—	136,297.66	1,348,528.07
3,973.82	269.25	5,371.00	14,084.68	—	1,071.44	91,754.99
—	4,613.00	33,654.85	23,905.02	—	2,606.34	164,417.37
—	7,495.67	2,072.81	33,103.81	—	1,047.78	148,915.47
—	1,745.00	—	87,201.73	—	88,662.41	461,147.75
—	90.00	571.07	6,432 49	—	973.82	30,179.45
9,295.21	1,700.49	906.65	136,990.54	—	5,286.01	292,868.87
—	2,650.00	9,508.95	18,700.15	—	6,994.91	175,535.69
3,591.26	302.65	416.08	87,261.63	—	—	234,173.47
5,120.26	1,305.00	25.50	5,327.93	—	26.04	45,296.99
—	14,722.00	—	42,205.00	24,995.00	—	233,760.00
202.75	1,104.00	613.15	66,759.33	—	—	330,930.33
1,958.38	4,015.95	3,649.00	173,480.45	—	9,005.11	420,965.08
1,120.00	1,860.00	—	241,070.00	25,547.00	—	363,589.00
—	689.35	—	71,941.48	—	2,017.32	259,526.53
—	800.00	—	18,270.21	—	3,122.88	57,355.98
—	1,437.60	230.86	11,838.67	—	1,196.97	46,304.80
—	35.00	198.67	3,624.91	—	—	35,469.89
—	—	671.94	12,850.75	—	—	48,931.09
2,536.53	319.10	—	13,207.59	—	775.15	55,552.76
—	796.20	3,305.95	25,409.57	—	10,698.65	184,205.45
2,612.57	13,654.32	1,575.19	62,024.64	—	—	213,732.71
71,959.77	2,795.00	—	—	—	—	639,961.61
3,827.17	1,270.00	8.00	23,273.03	—	—	75,608.48
3,712.50	707.14	—	34,067.62	—	—	155,017.30
525.45	3,577.30	2,630.71	28,764.14	—	2,257.76	118,755.20
1,089.50	18,798.00	1,287.40	81,762.25	—	3,703.71	199,863.38
2,578.62	37,350.69	608.25	151,008.27	—	—	552,547.93

December 31st, 1926

ASSETS (LITAS)

Town	Cash on Hand	Securities	LOANS OUTSTANDING			
			Long-Term	Short Term	Advances	Loans for Housing Reconstruction and Machines
Rassein	16,613,68	13,850.00	34,666.00	184,389.69	6,073.11	1,134.00
Ritovo	14,140.24	—	10,900.00	54,695.00	1,611.20	—
Rogovo	4,685.71	1,172.00	16,076.05	18,113.13	—	440.00
Salant	1,329.51	1,866.66	9,980.00	24,658.29	—	2,100.00
Salok	120.98	2.750.00	44,353.49	42,146.76	—	8,259.81
Serhey	11,090.85	3,850.00	13,991.90	60,047.80	4,071.30	6,615.40
Shaki	7,514.09	—	9,751.41	36,370.65	—	—
Shadovo	8,577.04	2,800.00	64,189.96	51,381.55	—	28,120.10
Shat	1,804.58	500.00	30,687.89	12,496.40	160.00	27,215.81
Shavli	49,197.85	27,473.97	118,874.40	692,782.53	—	148,208.14
Shkud	8,644.21	3,750.00	23,535.70	106,067.85	898,00	—
Shkudvil	2,895.90	4,900.00	19,717.50	52,215.00	675.00	8,825.00
Siad	5,953.89	3,060.00	16,919.80	53,045.96	8,911.50	—
Simna	1,072.94	5,027.50	35,291.55	73,006.45	—	8.021.85
Srednik	2,093.74	2,400.00	13,711.00	35,497.50	—	48,730,60
Tavrig	9,702.13	14,610.00	—	188,929.57	—	37,614.30
Tchaikishki	1,562.35	150.00	8,420.00	9,200.00	400.00	1,340.00
Telzh	11,669.33	4,200.00	30,120.00	69,941.00	20,084.45	5,625.00
Trashkun	606.17	1,400.00	12,710.00	16.625,00	—	8,211.00
Ushpol	1,287.42	1,700.00	16,987.50	14,165.50	10.00	8,877.50
Utian	10,624.18	17,000.00	153,478.30	—	4,333.70	14,315.07
Vashki	940.65	1,050.00	8,912.00	32,744.00	1,445.00	8,060.00
Vekshne	7,392.03	7,861.67	24,180.00	108,627.30	47,982.90	31,207.96
Vendzigolo	296.31	1,183.33	15,149.00	13,539.32	—	6.849,50
Vilki	1,504.16	2,575.00	23,041.50	19,590.25	250.00	19,824.00
Vilkomir	8,527.43	18,900,00	71,083.25	116,226.06	230.00	6,887.10
Vilkovishki	4,461.15	17,950.00	89,981.63	164,814.15	9,747.52	37,107.90
Virbalen (Kibarty)	880.29	4,500.00	30,965.88	—	1,900.00	750.00
Vizhun	123.40	1,700.00	15,655.00	24,215.00	—	7,219.40
Vladislavovo	5,677.36	4,150.00	29,860.10	95,405.61	722.95	24,720.00
Vobolnik	1,263.10	1,838.00	13,384.00	44,850.00	340.45	9,845.00
Vorno	16,279.30	2,550.00	10,790.00	68,685.00	777.60	800.00
Yanishki	3,986.65	11,000.00	—	123,577.64	1,146.10	4,475.00
Yanovo	8,869.07	10,600.00	57,856.00	144,000.90	692.50	2,000.00
Yelok	5,076.44	2,450.00	25,365.00	13.900.00	—	3,280.00
Yurburg	17,514.84	12,342.00	98,227.94	133,584.43	—	315.28
Zhagor	5,279.67	9,050.00	64.196.00	45.314.00	3,225.20	—
Zheimel	2,200.16	—	—	24,601.00	1,100.00	—
Zhezmer	1,690.15	4,500.00	35,485.11	28,049.89	—	39,871.22
Zhidik	228.96	1,716.66	6,233.33	18,043.94	96.60	—
Zhosli	22.06	5,000.00	40,810.56	30,045.45	109.85	30,982.03
Total	482,204.95	481,085.25	2.998,117.45	6,294,672.14	556,354.36	1,493,577.61

December 31st, 1926

(LITAS)

ASSETS

Corre-spondents	Furniture, Fixtures and Real Estate	Suspense Accounts	Collection Items	Administration Expenses (of 4 Volksbanks)	Loss	Total
1,907.50	690.00	177.70	—	—	8,067.38	267,569.06
1,570.12	700.00	2,414.10	16,567.21	—	—	102,597.87
—	689.95	305.85	7,179.53	—	—	48,662.22
—	1,357.80	—	9,105.07	—	—	50,397.33
100.00	1,780.55	9,273.35	16,793.60	—	2,897.34	128,475.88
—	2,013.68	901.56	69,920.16	—	—	172,502.65
—	1,315.00	1,090.84	33,007.08	—	—	89,049.07
1,000.00	125.00	—	57,741.76	—	—	213,935.41
—	646.20	830.53	14,428.73	—	2,276.09	91,046.23
—	11,433.17	5,003.02	632,308.62	—	21,026.22	1,706,307.92
—	2,312.00	3,973.16	36,911.92	—	—	186,092.84
1,408.05	—	—	89,198.97	—	1,326.68	181,162.10
50.00	3,810.38	282.00	33,029.14	—	118.60	125,181.27
178.57	632.45	13,851.40	80,503.66	—	—	217,586.37
—	740.90	12,470.00	33,991.40	—	5,960.75	155,595.89
10,464.63	1,078.44	2,122.30	53,864.41	—	13,999.70	332,385.48
1,455.85	443.70	—	4,210.40	—	—	27,182.30
13,156.45	381.34	5,767.44	66,424.78	—	—	227,369.79
3,131.34	1,370.60	—	6,536.54	—	90.71	50,681.36
—	1,338.50	3,083.53	27,339.13	—	—	74,789.08
100.00	34,188.75	462.75	83,835.80	—	15,114.55	333,453.10
—	185.00	76.08	18,632.19	—	—	72,044.92
—	2,412.25	46,093.10	361,099.18	—	—	636,856.39
—	3,737.05	—	1,804.55	—	—	42,559.06
—	615.03	—	36,482.54	—	19.30	103,901.78
2,261.75	2,232.40	4,950.00	123,031.02	—	5,513.68	359,842.69
18,820.00	3,291.60	1,501.00	37,820.75	—	19,059.92	404,555.62
1,000.00	914.50	30,560.87	—	—	106.94	71,578.48
3,366.10	1,407.50	—	19,692.83	—	—	73,379.23
—	1,956.15	421.30	25,387.86	—	2,172.48	190,473.81
2,772.94	1,267.18	—	23,761.26	—	—	99,321.93
—	1,912.40	1,101.23	35,712.50	—	2,059,21	140,667.24
—	1,962.15	—	78,004.68	—	1,701.31	225,853.53
18,179.17	1,663.12	6,356.86	198,823.93	—	332.98	449,374.53
—	1,470.00	—	20,625.44	—	2,104.82	74,271.70
1,688.59	17,297.60	1,569.40	108,311.98	—	—	390,852.06
—	9,872.05	—	21,547.49	—	2,098.00	160,582.41
4,745.71	308.11	166.02	51,668.94	—	—	84,789.94
—	7,585.36	—	28,251.62	—	40,086.61	185,519.96
1,899.74	1,294.35	—	20,947,75	—	571.46	51,032.79
—	8,344.10	285.50	26,666.47	—	—	142,266.02
259,440.00	298,454.67	240,883.73	5,184,316.02	115,423.00	471,011.29	18,875,540.47

BALANCE SHEET OF THE

December 31st, 1926

LIABILITIES (LITAS)

Town	Share Capital	General Reserve	Special Reserves	DEPOSITS		CREDITS	
				Time and Demand	Savings	Long Term	Central Credits in Current Account
Airogolo	7,525.00	906.33	1,432.00	25,358.19	1,113.20	10,000.00	16,037.39
Alita (I)	4,658.00	2,335.62	—	13,257.40	6,525.08	13,410.00	2,680.83
Alita (II)	19,515.00	19,419.00	—	33,000.00	2,127.00	50,000.00	—
Aniksht	14,813.00	10,807.68	—	8,317.97	—	38,000.00	15,549.38
Birzh	18,837.00	7,384.15	—	19,509.05	86.55	40,000.00	59,147.94
Butrimantz	4,742.00	564.00	—	11,667.00	—	22,000.00	25,591.00
Daug	3,247.50	46.00	—	29,348.50	1,602.00	13,000.00	5,730.74
Dusiat	6,014.50	577.09	—	11,028.30	707.20	15,000.00	6,086.86
Ezhereny	8,477.50	5,365.59	2,681.86	32,080.65	986.15	25,000.00	3,365.18
Gorzhd	17,180.00	3,147.13	1,650.00	11,257.81	2,431.67	15,000.00	2,488.15
Kalvaria	9,840.00	3,931.14	—	78,261.59	1,239.53	35,000.00	—
Keidan	19,202.00	16,402.92	463.35	81,594.39	66.15	8,500.00	109,266.51
Kelm	9,660.00	907.65	1,634.51	2,342.91	2,520.51	25,000.00	36,184.64
Koshedar	5,019.00	655.52	107.00	762.85	317.00	15,000 00	13,874.05
Kovarsk	5,328.00	1,515.57	436.12	250.45	—	15,000.00	7,612 96
Kovno	172,301.50	27,478.60	21,050.40	186,213.85	—	182,308.98	20,000.00
Krakinovo	6,297.00	96.41	—	3,057.31	45.00	25,000.00	—
Kretingen	11,568.56	11,743.08	—	26,875.75	4,232.91	35,000.00	8,145 15
Kroki	7,710.25	1,051.61	100.00	—	47.00	25,000.00	21,648.73
Kupishki	12,224.00	7,398.96	—	26,481.22	109.88	50,000.00	167,015.37
Kurkli	2,556.50	1,399.41	—	—	68.99	10,000.00	3,047.06
Kurshan	23,925.00	696.73	—	76,983.23	1,485.05	38,000 00	—
Lazdey	11,173.75	4,015 85	—	43,500 81	47.49	25,000.00	12,301.73
Linkovo	14,010.32	5,061.61	—	48,421 55	7,625.03	20,000.00	12,792.92
Luknik	4,887.00	2,418.70	—	11,328.69	4,391.17	10,000.00	—
Maliat	10,456.00	5,522.00	—	10,893.00	119.00	40,000.00	66,575.00
Mariampol	34,755.45	17,080 58	—	101,508.04	1,295.15	60,000.00	6,949.68
Mazheik	20,880.00	7,733.31	3,885.48	68,590.55	757.04	40,000.00	37,406.15
Memel	13,110.00	—	—	74,207.00	—	—	13,396.00
Meretch	9,140.56	4,319.37	—	29,123.00	1,370.45	45,000.00	52,181.71
Nemoksht	1,580.00	—	—	—	64.15	20,000.00	8,881.50
Okmian	2,465.00	179.68	—	2,130.00	1,331.60	11,000.00	1,978.07
Oran	2,497.00	1,041.81	98.60	100.00	—	10,000.00	3,621.65
Palangen	4,129.50	—	—	7,594.14	166.07	8,000.00	6,141.18
Pikeli	5,177.00	3,771.35	425.00	9,519.90	504.80	10,000.00	6,024.14
Pilvishki	7,150.00	5,476.19	62.76	239.00	6.45	25,000.00	45,438.54
Plungian	15,279.00	7,313.95	8,435.67	49,793.71	11,237.30	30,000.00	1,183.59
Ponevesh	60,195.00	53,132.22	7,815.54	215,729.50	10,525.80	98,800.00	—
Popelian	3,772.00	277.00	—	24,555.22	7,296.80	8,000.00	—
Posvol	9,887.00	504.00	8,530.07	27,602.02	6,250.20	20,000.00	4,697.51
Pren	12,725 00	688.61	—	4,980.85	275.65	28,000.00	11,724.43
Radvilishki	6,880.00	—	—	11,007.45	—	25,000.00	24,418.05

December 31st, 1926

(LITAS)

LIABILITIES

RECEIVED								
Bank Discount Credits	From Foundation for Housing Loans	From Other Institutions	Remittances Payable	Suspense Accounts	Collection Items	Earnings (of 4 Volksbanks)	Net Profit	Total
—	10,187.00	—	—	93.43	15,753.92	—	3,912.90	92,319.36
5,000.00	11,173.30	—	100.00	100.00	24,862.95	—	1,515.40	85,618.58
117,212.00	10,765.00	67,396.00	7,190.00	—	283,179.00	28,536.00	—	638,339.00
75,054.59	33,967.32	9,092.89	—	—	119,698.65	—	2,306.44	327,607.92
41,900.00	11,343.66	—	—	—	84,713.68	—	5,166.11	288,088.14
16,500.00	3,282.00	8,553.00	4,725.00	—	24,764.00	20,870.00	—	143,258.00
32,036.75	32,036.75	2,850.27	—	846.66	5,454.61	—	41.82	94,204.85
11,650.00	—	3,026.67	—	2,645.82	55,746.47	—	124.71	112,597.62
—	21,825.00	9,312.95	250.00	1,864.73	19,049.81	—	581.07	130,840.49
34,700.00	24,300.00	839.51	—	254.83	21,749.92	—	—	134,999.02
6,350.00	31,025.00	14,660.70	1,050.00	554.66	39,249.37	—	—	221,161.99
46,069.03	44,227.06	81.45	2,520.00	11,199.03	110,905.40	—	—	526,997.29
—	6,130.00	2,013.34	200.00	933.95	122,113.19	—	—	209,640.70
12,072.00	11,185.00	949.30	40.00	—	13,643.97	—	—	73,625.69
16,200.00	10,170.00	—	400.00	827.78	11,857.99	—	—	69,598.87
141,500.00	158,741.95	267,603.19	5,401.00	27,197.29	138,731 31	—	—	1,348,528.07
8,570.00	28,700.00	—	449.70	5,454.89	14,084.68	—	—	91,574.99
28,563.50	14,183.40	—	200.00	—	23,905.02	—	—	164,417.37
12,775.00	35,110.50	—	—	12,368.57	33,103.81	—	—	148,915.47
45,450.00	27,934.67	24,261.07	350.00	12,720.85	87,201.73	—	—	461,147.75
6,000.00	675.00	—	—	—	6,432.49	—	—	30,179.45
2,000.00	3,095.00	6,368.66	2,200.00	1,124.66	136,990.54	—	—	292,868.87
4,635.00	48,453.02	1,214.85	1,500.00	4,993.04	18,700.15	—	—	175,535.69
29,800.00	2,520.00	3,676.10	—	1,807.22	87,261.63	—	1,197.09	234,173.47
—	—	6,900.00	—	43.50	5,327.93	—	—	45,296.99
15,047.00	15,110.00	3,605.00	163.00	108.00	42,155.00	23,917.00	—	233,750.00
32,992.00	750.00	—	252.50	4,310 20	66,759.33	—	4,277.40	330,930.33
45,013.00	12,000.00	10,557.51	370.00	291.59	173,480.45	—	—	420,965.08
—	—	—	2,635 00	—	241,080.00	19,161.00	—	363,589.00
18,281.00	23,310.68	—	400.00	4,458.28	71,941.48	—	—	259,526.53
6,500.00	1,044.12	—	1,016.00	—	18,270.21	—	—	57,355.98
11,050.00	562.50	3,769 28	—	—	11,838.67	—	—	46,304.80
—	12,180.00	2,200.00	—	79.25	3,624.91	—	26.67	35,469.89
9,300.00	—	—	304.50	—	12,850.75	—	444.95	48,931.09
6,000.00	—	79.61	100.00	743.37	13,207.59	—	—	55,552.76
18,259.60	52,803.84	4,259.50	100.00	—	25,409.57	—	—	184,205.45
25,500.00	—	—	—	1,844.65	62,024.64	—	1,120.20	213,732.71
—	163,467.00	1,410.53	200.00	26,728.34	—	—	1,597.68	639,961.61
—	2,842.50	3,700.00	296.70	71.44	23,273.03	—	1,523.79	75,608.48
13,500.00	21,466.00	6,500.00	50.00	136.50	34,067.62	—	1,826.38	155,017.30
24,917.80	3,985.00	—	—	2,693.72	28,764.14	—	—	118,755.20
36,873.73	4,470.00	5,142.13	—	4,309.77	81,762.25	—	—	199,863.38

BALANCE SHEET OF THE

LIABILITIES

December 31st, 1926
(LITAS)

Town	Share Capital	General Reserve	Special Reserves	DEPOSITS		CREDITS	
				Time and Demand	Savings	Long Term	Central Credits in Current Account
Rakishki	17,635.15	32,829.94	18,770.49	65,238.25	2,737.83	60,000.00	67,762.26
Rassein	19,833.00	5,710.40	2,750.32	120,840 93	656.20	60,000.00	52,263.80
Ritovo	9,775.00	350.84	—	38,445.00	5,504.00	—	6,552.61
Rogovo	2,725.00	2,019.08	—	15,978.00	—	12,000.00	453.29
Salant	5,020.00	—	1,805.00	6,502.40	1,031.65	12,000.00	2,039.42
Salok	7,291.50	5,983.12	—	16,592.67	128.55	25,000.00	23,193.69
Serhey	7,770.00	1,568.64	—	54,276.35	1,292.70	20,000.00	3,938.68
Shaki	7,465.00	223.22	—	8,799.08	437.45	15,000.00	10,664.53
Shadovo	9,770.00	1,908.53	370.00	28,604.82	—	25,000.00	37,508.02
Shat	4,938.50	—	196.16	3,918.20	630.20	17,000,00	8,502.55
Shavli	20,630.00	—	2,921,80	118.155.66	4,739.80	130,000.00	426,332.05
Shkud	15,630.00	13,571.81	—	23,265.25	12,007.30	25,000.00	33,153.25
Shkudvil	8,320.00	6,141.93	—	32,012.90	2,057.90	25,000.00	—
Siad	8,327.32	4,391.39	—	6,168.75	735.05	23,000.00	9,762.75
Simna	9,042.00	5,470.82	—	35,864.36	152.00	25,000.00	7,239.45
Srednik	5,130.00	4,157.98	—	592.50	55.30	18,000.00	28,420.41
Tavrig	31,880.00	4,567.73	6,878.22	99,805.68	84.65	41,000.00	49,676.07
Tchaikishki	2,711.00	972.93	—	1,259.40	4,790.57	8,000.00	—
Telzh	11,410.95	6,091.80	2,277.58	95,775 23	4,136.65	25,000,00	—
Trashkun	4,319.00	2,100.22	600.00	4,507.00	1,218.70	10,000.00	—
Ushpol	4,653.00	716.25	250.00	802.05	783.36	10,000.00	5,215.28
Utian	27,331.38	14,282.61	—	66,931.09	379.92	55,000.00	5,670.95
Vashki	8.955.00	584.77	—	1,025.00	—	10,000.00	3,163.43
Vekshne	12,760.00	10,988.17	—	47,258.28	922.04	20,000.00	—
Vendzigolo	3,042.00	201.60	—	—	386.34	12,000.00	8,671.56
Vilki	5,958.00	1,638.39	106.11	3,211.24	164.95	20,000.00	10,792.63
Vilkomir	33,417.00	7,337.31	605.77	26,703.00	511.00	70,000.00	27,670.14
Vilkovishki	35,592.00	661.00	—	4,912.60	1,626.41	70,000.00	136,311.55
Virbalen (Kibarty)	11,346.00	5,657.85	—	5,900.90	2,197.10	30,000.00	12,883.47
Vizhun	4,750.00	5,970.36	—	9,664.00	2,107.47	13,000.00	—
Vladislavovo	10,310.00	7,351.36	1,738.37	49,796.77	2,150.38	27,000.00	14,635.29
Vobolnik	7,106.00	2,306.89	—	31,332.00	1,564.50	15,000.00	—
Vorno	7,608.35	1,955.04	1,467.21	15,050.00	237.00	17,000.00	32,481.99
Yanishki	16,500.00	3,132.00	4,792.59	27,171.10	125.00	40,000.00	10,192.52
Yanovo	21,161.00	4,027.69	8,303.10	125,588.17	7,575.95	45,000.00	12,106.27
Yelok	8,075.00	3,868.80	—	6,973.32	1,000.85	15,000.00	5,058.29
Yurburg	31,720.00	34,599.16	—	73,193.36	166.00	35,000.00	13,628.85
Zhagor	16,660.00	8,647.74	3,830 66	50,715.70	1,364.20	30,000.00	21,970.83
Zheimel	3,950.00	1,705.46	293.00	3,765.98	514.25	—	8,531.13
Zhezmer	8,095.00	—	2,371.00	1,313.38	16.95	25,000.00	65,765.02
Zhidik	4,765.00	2,865.60	—	1,734 99	873.95	12,000.00	—
Zhosli	8,170.00	954.45	658.00	1,036.50	288.00	25,000.00	26,738.03
Total	1,142.429.04	459,879.30	119,793.74	2,749,154.71	146,327.14	2,487,518.98	2,028,133.85

December 31st, 1926
(LITAS)

LIABILITIES

RECEIVED								
Bank Discount Credits	From Foundation for Housing Loans	From Other Institutions	Remittances Payable	Suspense Accounts	Collection Items	Earnings (of 4 Volksbanks)	Net Profit	Total
68,045.95	56,000.00	—	3,229.90	8,716.07	151,008.27	—	573.82	552,547.93
—	1,134.00	2,700.41	—	1,680.00	—	—	—	267,569.06
17,750.00	—	4,814.85	414.00	450.00	16,567.21	—	1·974.36	102,597.87
7,000.00	422.34	148.50	—	—	7,179.53	—	736.48	48,662.22
—	2,100.00	10,120.00	—	250.00	9,105.07	—	423,79	50,397.33
21,762 75	11,130.00	—	600.00	—	16,793.60	—	—	128,475.88
2,000.00	8,755.00	945.56	645.00	1,038.05	69,920.16	—	352,51	172,502.65
11,500.00	—	—	—	1,040.75	33,007.08	—	911.96	89,049.07
12,200.00	33,559.00	6,387.75	—	—	57,741.76	—	885.53	213,935.41
8,686.00	32,345.89	—	400.00	—	14,428.73	—	—	91,046.23
49,738.30	121,360.00	142,490.67	57,501.02	130.00	632,308.62	—	—	1,706,307.92
17,500.00	—	7,388.42	—	—	36,911.92	—	1,664.89	186,092.84
2,300.00	9,630.00	—	—	6,500.40	89,198.97	—	—	181,162.10
39,635.00	—	—	131.87	—	33,029.14	—	—	125,181.27
39,900.00	11,128.44	—	246.00	2,731.00	80,503.66	—	308.64	217,586.37
14,000.00	50,120.60	—	—	1,127.70	33,991.40	—	—	155,595.89
—	34,855.93	1,589.86	2,921.60	5,261.33	53,864.41	—	—	332,385.48
2,500.00	1,340.00	—	—	185.00	4,210.40	—	1,213.00	27,182.30
—	5,625.00	—	3,010.00	4,551.60	66,424.78	—	3,066.20	227,369.79
10,500.00	10,179.90	—	—	720.00	6,536.54	—	—	50,681.36
14,380.00	8,877.50	—	—	—	27,339,13	—	1,772.51	74,789.08
55,825.00	17,270.00	4,800.87	1,029.80	1,095.68	83,835.80	—	—	333,453.10
21,500.00	8,060.00	—	—	—	18,632.19	—	124.53	72,044.92
54,800.00	32,611.07	89,994.71	1,870.00	3,353.02	361,099.18	—	1,199.92	636,856.39
8,273.48	7,129.50	—	—	199.00	1,804.55	—	851,03	42,559.06
—	18,635.00	4,601.17	1,615.00	696.75	36,482.54	—	—	103,901.78
47,325.75	7,162.34	—	346.50	15,732.86	123,031.02	—	—	359,842.69
101,029.71	8,641.00	—	294.00	7,666.60	37,820.75	—	—	404,555.62
—	750.00	—	—	2,843.16	—	—	—	71,578.48
8,400.00	8,066.90	—	—	1,333.90	19,692.83	—	393,77	73,379.23
21,000.00	24,890.00	—	3,273.15	2,940.63	25,387.86	—	—	190,473.81
8,000.00	9,845.00	—	—	—	23,761.26	—	406,28	99,321.93
26,400.00	1,500.00	117.20	—	1,137.95	35,712.50	—	—	140,667.24
34,209.64	4,475.00	5,258.31	1,973.90	18.79	78,004.68	—	—	225,853.53
—	3,038.00	10,934.19	1,000.00	11,816.23	198,823.93	—	—	449,374.53
9,500.00	4,170.00	—	—	—	20,625.44	—	—	74,271.70
89,257.00	299.99	—	—	1,338.49	108,311.98	—	3,337.23	390,852.06
—	—	1,534.54	1,006.25	3,305.00	21,547.49	—	—	160,582.41
12,050,00	—	—	—	—	51,668,94	—	2,311.18	84,789.94
7,346.89	43,784.00	2,109.42	—	1,466.68	28,251.62	—	—	185,519.96
6,950.00	—	—	500.00	395.50	20,947.75	—	—	51,032.79
9,540.66	36,000.00	5,731.49	400.00	830.86	26,666.47	—	251.56	142,266.02
1,786,041.38	1,529,913.67	771,691.43	114,871.39	221,359.02	5,177,161.02	92,484.00	48,781.80	18,875,540.47

POLAND

GENERAL OBSERVATIONS.

The situation of Polish Jewry immediately after the war was such that the Joint Distribution Committee, instead of beginning at once with the reconstruction of the ruined Jewish economic life, was forced first and above all to contribute towards the establishment of conditions which would make such reconstruction possible. The J. D. C., accordingly, commenced with relief measures, giving food and clothing to the needy and medical aid to the sick.

After a time occupied by this philanthropic activity, the J. D. C. began a systematic effort to bring about the reconstruction of Jewish economic life.

As early as the middle of April, 1921, after the completion of the necessary preliminaries, the Reconstruction Department of the J. D. C. convened a Reconstruction Conference in Warsaw, in which the representatives of many organizations participated.

In the first place, trade school education, which had been almost completely neglected during the war, was resumed. The funds required for the repair of damaged schools, the erection of new buildings, new mechanical equipment, and for part of the running expenses of the schools were granted by the J. D. C., while the I. C. A. assumed the responsibility of maintaining these schools.

At the same time the Reconstruction Department adopted a program for the reconstruction of Jewish homes, 100,000 of which had been destroyed during the war. Thanks to the assistance of the J. D. C., the Jewish workers' consumers' cooperatives, then almost totally paralyzed, were in a position to reorganize; new ones were likewise established.

Of special significance was the assistance which the J. D. C. gave in the reestablishment of the thousands of small Jewish workshops, and the aid given to small manufacturers, merchants and others that had been particularly affected by the war. The best possible means of accomplishing these purposes appeared to be the development of credit cooperatives, through which needy Jews would be able to obtain the credits they required without wounding their spirit of independence.

CREDIT COOPERATIVES.

The report of the Russian office of the I. C. A., published in 1923, shows that the development of the Jewish credit cooperatives in Congress Poland began for the most part in 1907. Until that year only eight kassas had been formed, but in the period between 1907 and 1912 an additional 118 kassas were organized by the vigorous efforts of the I. C. A. Even then such kassas functioned in only 25 per cent of the cities and towns with an overwhelming Jewish population, whereas kassas were at the same time to be found in half the urban centres of Southern Russia. The number of members in the Polish kassas, moreover, was small compared to that

in Russia. The average membership in the Russian loan cooperatives was 670, as campared to 405 in Poland.

The membership of the Jewish kassas in Poland was divided as follows:

Artisans	39.2 per cent
Merchants . . .	39.1 ,, ,,
Manufacturers .	8.2 ,, ,,
Workingmen .	3.1 ,, ,,
Agriculturists .	2.5 ,, ,,
Miscellaneous .	7.9 ,, ,,

The average working capital per kassa was $28,450, equal to $51.70 per member. Paid-in capital was 16.9 per cent and deposits were 72.8 per cent of the total working funds.

The credits which the Polish kassas received, mostly from the I. C. A., amounted to 2.9 per cent of the total working funds. Compared to this, the credits received by the kassas in Southern Russia totalled 11.7 per cent of the working capital. Loans to members equaled 89 per cent of the assets and averaged $61.20.

Although the credits obtained from the I. C. A. constituted a rather small proportion of the funds at the disposal of these institutions, that society nevertheless contributed very appreciably towards the development of the Jewish cooperative movement, in that each newly organized cooperative received its first loan from the I. C. A., and was thus enabled to commence independent activity. Of even greater importance, was the assistance which the I. C. A. gave the kassas in their work of organization and education.

The structure of the 66 kassas which had existed before the war in the Bialystok, Pinsk and Brest-Litowsk districts, and of the 21 in Wolhynia, was practically identical with that of the institutions in Congress Poland. The 600 so-called "Familienkassen" in Galicia, on the other hand, were really private undertakings, despite their outward cooperative appearance.

The second group of pre-war kassas in Galicia had much more in common with cooperatives. But they partook more of the nature of stock companies than of social institutions, and the number of votes controlled by each member depended on the number of shares he held. As a majority of the shares and the greater part of the deposits were those of the I. C. A., these kassas were actually regarded as philanthropic organizations.

In January, 1914, there were twenty-one such kassas in Galicia, all of which had branches in the smaller cities and towns. The total membership of 24,952, which means an average membership of 1,188, was divided as follows:

Group	Per cent
Petty Merchants	48.5
Artisans	22.3
Wholesalers & Manufacturers . .	11.1
Miscellaneous	18.1

The average working capital per kassa amounted to $25,939, and the average per capita capital to $20.82, as compared to $51.70 in Congress Poland. Loans granted by the kassas averaged $46.42 and constituted 92 per cent of the total assets. This marked divergence between the amount of working capital and size of individual loans in the pre-war kassas in Congress Poland and Galicia is explained by the

different economic conditions in the two areas, and the dissimilarity in structure and business methods of the cooperatives.

It will be seen that the Jewish kassas in pre-war Poland were still in process of development. Then came the war and the complete collapse of all these institutions. In the eastern provinces they disappeared without even leaving a trace, while in other parts of the Polish Republic the few remaining kassas dragged out a miserable existence. Owing to lack of funds they were forced to remain entirely inactive, and the registers of pre-war members represented no actual economic power.

The Reconstruction Department of the J. D. C., which, as will appear from what follows, worked hand in hand with the I. C. A. in this field of endeavor, realized that the economic position of the Jews could best be rehabilitated through cooperative credit institutions. The J. D. C. and the I. C. A. accordingly took it upon themselves to inspire the Jewish population towards common activity with a view to the revival of the cooperative system.

The Reconstruction Department of the J. D. C. aided, not only in the reorganization of the cooperatives which had survived the war and the reestablishment of those which had been destroyed, but also in the founding of new ones. In order to strengthen the movement, the J. D. C. created large central cooperatives, through which the Jewish population could obtain assistance in the organization of regional and local kassas. Before long, numerous kassas sprang up in Poland, in whose sphere of operations was included the larger part of the Jewish population. At the end of 1922, the first year of intensive cooperative activity, there existed in Poland no less than 194 kassas with a total membership of 84,597. The average kassa membership was 436.

Cooperative Kassas in Poland in 1922.

District	No. of Kassas	No. of Members	Average Membership
Congress Poland & Wolhynia	86	41,550	483
Bialystok	38	16,903	445
Lemberg (Galicia)	24	15,867	661
Wilna	46	10,277	223
Total	194	84,597	436

The number of kassas in Poland at the end of 1922 was very considerable, even compared with the number in pre-war days. It will be seen, moreover, that the antebellum per kassa membership of 405 was exceeded in 1922. The comparatively low membership of the kassas in the Wilna district, despite the large number of kassas, is due to the circumstances that the district in question is dotted with numerous towns, each containing a small Jewish population.

Working Capital of the Polish Kassas at the End of 1922.

(Polish Marks)

District	Average Amount of Working Capital	
	Per Kassa	Per Member
Congress Poland & Wolhynia	23,598,287	48,844
Bialystok	20,491,534	46,068
Lemberg (Galicia)	14,769,444	22,214
Wilna	13,557,375	60,683
Average for Poland	19,506,376	44,732

The limited working capital of the Galician kassas reflects the relatively weak development of the cooperatives in that district.

Owing to the economic and financial conditions (which still prevail in Poland) the kassas were able to create capital of their own only in conjunction with credits from the J. D. C. and the I. C. A.

Comparative Table of Own Capital and Credits of Polish Kassas in 1922.

(Polish Marks)

District	Credits Received	Funds Raised Locally	Ratio of Credits to Local Funds
Congress Poland & Wolhynia	1,212,079,374	219,621,628	100 : 18.1
Bialystok	527,041,852	91,748,441	100 : 17.4
Lemberg (Galicia)	304,862.807	26,973,265	100 : 8.8
Wilna	459,001,863	67,342,579	100 : 14.7
Total	2,502,985,896	405,685,913	100 : 16.2

Although the Polish Mark continued on its headlong course throughout 1922, the kassas nevertheless strove to increase the amount of money deposited with them. As will be seen from the following balance sheet of the Polish credit kassas on December 31st, 1922, deposits constituted 5.3 % of the total liabilities of these kassas.

Balance Sheet of Polish Credit Kassas, December 31st, 1922.

(Polish Marks)

Assets		Liabilities	
Cash on Hand & in Banks	269,812,026	Share Capital	276,777,158
Securities	7,186,750	Reserves	128,908,755
Shares in Central Cooperatives	67,537,005	Deposits	199,417,192
Loans Outstanding . . .	2,806,380,693	Credits	2,502,985,896
Miscellaneous Assets . . .	309,906,079	Miscellaneous Liabilities	378,752,479
Real Estate, Furniture & Fixtures	22,898,744	Income	294,276,491
Administration & Organization	295,885,765	Profit Brought Forward	3,118,890
Loss Brought Forward .	4,629,799		
Total	3,784,236,861	Total	3,784,236,861

Loans granted to members of the kassas up to the end of 1922 amounted to 2,806,380,693 Polish marks, while the credits received amounted to 2,502,985,896 Polish marks. These figures may give the mistaken impression that the kassas were in a more or less prosperous condition, but the truth is that they became more and more empoverished. Nevertheless, most of them remained active.

The exceptionally rapid development of the kassas had been made possible only by the financial support of the J. D. C. and the I. C. A., as well as the assistance of these institutions in the organization of new kassas. As early as 1922, however, the rapid fall of the Polish mark greatly disturbed the work which had begun so auspiciously. More will be said on this subject later on.

Polish Kassas on June 30th, 1923.

District	Kassas	Members
Congress Poland & Wolhynia	103	49,898
Bialystok	46	19,629
Lemberg (Galicia)	24	16,081
Wilna	60	17,968
Total	233	103,576

The kassas usually accepted only one member of a family. Their activity thus directly affected no less than 500,000 souls, or about one-sixth of the entire Jewish population of the country. The local funds of the kassas increased by 225 per cent, from 405,685,913 Polish marks in 1922 to 1,499,398,499 Polish marks on June 30th, 1923. In the same period the credits received from the J. D. C. and I. C. A. rose 125 per cent, from 2,502,985,896 Polish marks to 5,640,199,599 Polish marks, and the total of loans granted by 150 per cent, from 2,806,380,693 Polish marks to 7,202,357,066 Polish marks.

The figures, however, represent only paper values. Actually, the Polish currency was at that time falling so rapidly that not even the 225 per cent increase of funds raised locally could keep pace with its depreciation. The same observation applies to loans and repayments. In point of fact, the funds of the kassas, translated into stable values, dropped to such an extent that at the end of the first half of 1923 they amounted to only $483 per kassa and $1.17 per member. During the second half of 1923 this condition became even worse. The Polish currency suffered a complete collapse, and the mark, which on April 30th, 1923, had been quoted at 102,000 to the dollar, sank to 6,359,000 to the dollar towards the end of the same year. Under these circumstances, the Jewish cooperatives, which had been established at the cost of much effort and in the face of numerous difficulties, were threatened with destruction.

The only means of rescuing them appeared to be the shifting of the basis of the cooperatives' business from the inflated Polish mark to the new zloty currency by utilizing the so-called Zloty Bonds, which had been placed in circulation by the government. But when the state failed to save the general financial situation by means of the Zloty Bonds and when, in consequence, this possibility presented no more hope to the cooperatives, the I. C. A. discontinued its credits to the kassas. The J. D. C., on the other hand, made yet another attempt. In August, 1923, it transferred to the Bank dla Spoldzielni, concerning which more will be said below, $50,000. This sum was deposited as security with the Polish State Loan Bank (P. K. K. P.), then the national bank of issue, and in return the Bank dla Spoldzielni received a credit of 9,200,000,000 Polish marks. This grant of $50,000 was made on condition that the Bank dla Spoldzielni would distribute seven-eighths of the credit it had obtained among the cooperative loan kassas and the remainder among other cooperative organizations. The kassas subsequently received 75 % of their share of the 9,200,000,000 marks in Polish marks and 25 % in the Zloty Bonds.

In order to safeguard what was left of the kassas' resources, a conference of the representatives of the central institutions of the credit cooperative movement was convened in Warsaw on October 25th, 1923. The meeting made the following recommendations:

1. The kassas were to use the larger part of their working capital in granting loans in stable currencies.

2. The smaller kassas were to be reorganized. Their activities would be limited to two or three days a week.

3. No loans in Polish marks were to be granted for a period of more than 30 days.

4. Half of the interest on loans was to be converted into stable currency and set aside as a special reserve fund.

5. The other banking operations of the kassas were to be extended to the widest possible limits.

These measures, however, were of little avail in the face of the total collapse of the Polish mark. A number of kassas were soon compelled to close their doors. The result was that towards the end of 1923 there remained only 192 kassas with 93,000 members, as compared to 240 kassas with 105,000 members in August of the same year. But even the kassas that persisted were no longer credit institutions in the pure sense of the term. The majority of them practically discontinued all loan operations and covered their expenses through collections and discounting the bills of their more responsible members.

The position of the Jewish merchants and artisans was critical. Owing to inflation they could obtain no state credit; private credits were not to be had; the kassas had suspended credit activities.

As soon as the Polish government introduced the stable zloty currency in the beginning of 1924, the J. D. C. and, after its liquidation, the Foundation resumed supporting the Jewish credit cooperatives, with the result that Jewish artisans and traders were once more in a position to satisfy their credit requirements. Unfortunately, however, the stabilization of the currency came simultaneously with an economic crisis which caused a general depression, regarding which more will be said later.

Early in 1924 the new Polish currency was established on the basis of 1,800,000 Polish marks to the zloty, the zloty being on a par with the Swiss franc. When the people cashed in their huge piles of paper marks for zloty, the prevailing poverty came into full view. The national wealth was calculated at 12 zloty per capita. Under such circumstances, the purchasing power of the masses was naturally extremely limited. Moreover, Poland, which during the inflation period had been one of the cheapest countries in Europe, now became one of the most expensive.

In the years that have followed, the tariff war between Germany and Poland, which broke out in the middle of 1925, was one of the chief reasons for the fall of the Polish zloty, which dropped to 61 per cent of its par value towards the end of the year.

The private credit institutions were in a particularly bad position during this period. Large industrial concerns were forced to stop payments as a result of the crisis; the outstanding claims of the banks became uncertain; and other assets could not be realized without considerable loss. Under the circumstances an increase of share capital was out of the question. The government was not only in no position to support private credit institutions, but was actually forced to reduce the credits it had already opened for them.

The Jewish kassas of Poland were in a much better situation in view of the fact that the loans of the kassas were small and distributed among a large membership; and since the kassas were not interested in firms which became bankrupt, the general economic crisis passed over most of the kassas without causing them

any considerable losses. The Foundation, furthermore, did not cut the credits to the kassas, as the government had done in the case of private credit institutions. On the contrary, it increased its credits.

The gradual liquidation of the J. D. C. began in 1923. On April 1st, 1924, the Polish office was closed, and on May 15th the Foundation entered upon its activities and immediately proceeded with the fortification of the position of the Jewish credit cooperatives in Poland.

	Jan. 1st, 1924	March 31st, 1924
Total Assets	$19,750.70	$110,325.69
Local Funds	2,345.24	9,060.55
Deposits	2,045.01	17,995.66
Loans Outstanding	6,571.75	49,946.41

During the same period, however, the number of kassas fell from 192 to 144. This change was due to the fact that new credits were granted only to those kassas able to lend money to members from their own funds, which had been raised by selling shares and attracting deposits.

Despite bad times, the assistance of the Foundation was really able to strengthen the credit cooperatives in Poland.

During the inflation period the credits granted by the I. C. A. and the J. D. C. were loaned to members of the cooperatives immediately, that is, before the money had lost in value. The members naturally did not keep these funds in a currency which fell daily and even hourly, but immediately converted them into merchandise. Even during the many months of inflation the kassas thus performed their function of strengthening Jewish business. It is only natural that the kassas suffered, because the loans which the members received were returned in the ever-falling paper money.

The position of the kassas during 1924, when the Polish currency remained stable, was altogether different from the previous year. The credits received by the kassas by the beginning of 1924 amounted to only $2,940, as compared to $207,800 at the end of the same year. The kassas were consequently in a position to grant numerous loans to their members. Payments for share capital were deducted by the kassas at the time of the granting of the loans. Part of the interest on loans was set aside for the reserve fund, so that the resources of the kassas rose from $2,345 to $116,891.

During the same period deposits increased from $2,045 to $153,819.32.

The first half of 1925 witnessed an even more rapid development. By June 30th, 1925, credits received increased to $280,000, loans granted to $896,540, resources to $251,537, and deposits to $481,865.

Despite this progress, the kassas continued to make mistakes, and the Foundation accordingly appointed a special Inspection Commission, which was expressly charged with the function of supervising and inspecting the kassas. The work of this Inspection Commission will be discussed below.

It should be clear from the foregoing that the kassas passed through the crisis without suffering any serious disturbance. As a result, their prestige was greatly enhanced.

Whe the Polish zloty began to fall, the kassas could not, however, escape the effect of the resulting crisis. At the end of 1925 the position of the cooperatives had changed for the worse.

There were 197 kassas with a total membership of 68,662, of whom 46.1 per cent were petty traders, 35.6 per cent artisans, 2.2 per cent agriculturists, and 16.1 per cent miscellaneous.

The deposits of the kassas fell from 2,496,068 zloty in June, 1925, to 1,612,866 zloty on December 31st, 1925, and the credits received from $280,000 to $176,638.27, although these same dollar credits, if converted into zloty, amounted to 1,473,163.22 at the end of 1925, as against 1,446,960.47 in the middle of the year.

During 1925 the working capital rose from 14,760 zloty to 24,439 zloty per kassa and from 51.65 zloty to 70.12 zloty per member. As a result of the fall of the zloty, however, the working capital in the second half of 1925, converted into dollars, shows a rise from $2,849.42 to only $2,930.33 per kassa, and a decline from $9.79 to $8.57 per member.

During 1924 the Polish kassas granted an average of 2.3 loans, amounting to 83 zloty each, to each member, as compared with 3 loans, amounting to 139 zloty each, in 1925.

Loans were generally granted on promissory notes with two endorsements. In view of the fact that small artisans were frequently forced to accept payments in promissory notes and traders to sell their goods in the same way, the kassas also discounted such notes.

The loans were for the most part given for a period of from six weeks to three months, and were repaid in weekly or monthly instalments. The interest, although high, represented only a small fraction of the currency depreciation which took place between the granting of the loan and its repayment, and which caused an average monthly loss of about 10 per cent.

As a result of the financial crisis the population lost its confidence in private banking institutions. This was especially the case after the bankruptcy of the Bank dla Handlu i Przemyslu, one of the largest banks in the country with 65 branch offices. On the other hand, confidence in the kassas grew. The result was that the volume of collection operations increased during the first half of 1925; on June 30th, 1925, the notes for collection on hand amounted to 34.9 per cent of the total assets. The unbusinesslike practices in which some of the kassas engaged in this field were successfully checked during the latter part of 1925, partly as a result of instruction, but chiefly through such measures as the interruption or reduction of credits. The financial crisis, moreover, tended to make the kassas doubtful of the wisdom of such questionable activities.

In order to present a more detailed picture of the kassas during the several years of their existence, we append a comparative balance sheet for 1922, 1923, 1924, 1925 and 1926.

To make a correct estimate of the value of our assistance to the credit cooperatives and the merchants' banks, which will be discussed below, we must examine the situation which arose in connection with the fall of the Polish currency in the second half of 1925 and its effect on the work of the year 1926.

When the Polish monetary unit commenced to fluctuate in August, 1925, the Jewish cooperative system was registering much progress despite the unfavorable economic condition of the Jews and, indeed, of the general population. The collapse of the currency and the resulting insecurity led to a sharp fall in deposits which appears from the accompanying figures. Simultaneously the interest rate began to mount, a development which naturally did much harm to the cooperatives.

The acceptance of dollar deposits during the first few months of inflation could not change the situation, because even such deposits were not made in large sums and the rate of interest was too high even for dollar deposits. On the other hand, the cooperatives could not accept substantial dollar deposits, as this involved too great a risk, because the larger part of their loans were made in zloty, which, in case of serious devaluation, could only be repaid with a loss.

The conditions once again upset the entire basis of the cooperatives' work and we were faced with the difficult problem of formulating a new plan of procedure for this unsettled period. The funds at the disposal of the Foundation were limited and could not be exposed to the risks of an unstable currency.

We followed developments with extreme care and tried to extend the necessary aid by cautious granting of credit without disbursing all the reserves we had and would require when a more settled era should appear.

After much fluctuation, the Polish currency finally acquired a stable value on foreign exchanges, without, however, having been officially stabilized. This date, May, 1926, marks the beginning of a gradual upward tendency in the cooperatives, which, nevertheless, was restrained for the first few months by the feeling of uncertainty.

In the autumn of 1926, after the experience of six months seemed to indicate that stable conditions were possible, it became necessary for the Foundation to formulate a program for the near future, based on the assumption that there would be no radical change in the currency situation. The principles arrived at in the investigation preliminary to the fixing of this program will be discussed below. Here we will enter into one question which proved to be of extreme importance in the development of the credit cooperatives.

The extraordinary distress which afflicted Poland during the latter part of 1925 and the first half of 1926 as a result of the collapse of the Polish currency, and which, as we have suggested before, imparted to our efforts somewhat of the nature of relief activity, caused us to urge the Union of Jewish Credit Cooperatives to organize new kassas, so that credits could be extended to the largest possible number of small merchants and artisans. In doing so we were of course aware of certain dangers which might be occasioned by a sudden increase in the number of cooperatives. Under the circumstances, however, the Foundation was compelled to accept the risk.

As a result of these efforts, 77 new kassas were organized during the first nine months of 1926, and the number of members increased by about 28,000.

It now appeared necessary to consolidate our work. In this process we were compelled to concentrate our attention on several fundamental aspects of the further development of the cooperative movement in Poland.

The periodic inspections by our representatives, as well as by agents of the Union, showed that the kassas financed by us in many cities and towns had not yet reached that stage of technical perfection which was essential to their proper functioning.

The Union has striven and will strive to improve these conditions by giving repeated detailed instructions, special emphasis being placed on the advisability of avoiding friction in the kassas and the organization of superfluous new ones.

Of even greater importance was the question of financial consolidation, which was closely related to efficient business technique. The administrative expenses of

the kassas had to be reduced to a minimum. With this purpose in view, the Union, after consulting the Foundation, issued model budgets and we are now in a position to state that, generally speaking, these were adhered to by the cooperatives. Nevertheless, we discovered that in many cases the continuous fall in the rate of interest — a development which we welcomed — made it difficult for the kassas to cover their expenses. These difficulties must eventually be overcome by increasing the turnover of the cooperatives.

From what has been said, it should be clear that this increase in the turnover of the kassas by means of deposits was certain to meet with a number of obstacles during the period following immediately upon the stabilization of the currency. It is indeed a fact that even to-day savings and other accounts are to only a very small extent deposited for any considerable length of time. On the other hand, for the reasons mentioned above, we were forced to take steps against possible danger to the kassas by excessive dollar deposits. We are of the opinion that with respect to the matter of deposits the kassas are still in a stage of transition.

It is the duty of the Foundation to place a certain amount of working capital at the disposal of the kassas during this period of transition. The ratio between capital raised locally plus deposits and other local credits, on the one hand, and the credits of the Foundation, on the other, is at present $2\frac{1}{2}:1$. It must be understood that we have always brought home to the Union of Jewish Cooperatives that the outside credits are merely a passing phase and can replace only to a very limited extent the accumulation of the cooperatives' own capital, as well as deposits.

In this connection mention should be made of the crediting of the Jewish cooperative movement by state institutions, the importance of which must not be underestimated. Although the greater part of the total of two million zloty granted by the Bank of Poland and the Postal Savings Bank to the merchants' banks were in the form of discount credits, nevertheless, the credits obtained by the kassas are significant. It is to be hoped that substantial new credits will be obtained from the above-named institutions.

In the formulation of our consolidation program we had to take into account the actual credit requirements of the small Jewish merchant and artisan. The average pre-war credit balance per member was 100 rubles ($50.00). After mature deliberation, based on exhaustive information supplied us by the Union, and taking into account the general economic situation and the purchasing power of money, we came to the conclusion that it would be desirable to reach a credit average of at least $36 per member.

Our financial policy should aim to establish the cooperative movement on a sound, self-supporting basis by supplying sufficient working capital for the period of transition. During this time the kassas, while decreasing the rate of interest, which, at the end of 1926, was still 15 per cent, must succeed in covering their budgets by a gradual increase of their capital and reserves and by attracting deposits. The amounts of loans should be brought to correspond with existing economic conditions.

The execution of this program required the investment of very substantial amounts in the year 1926. Aside from the sums spent for the merchants' banks,

the labor cooperatives and the purchasing cooperative "Surwyt", credits which we shall deal with later, $379,250 were invested in the credit kassas. As mentioned before, we planned to accelerate the establishment of new kassas during the first half of the year 1926, in order to bring the greatest possible aid to the suffering Jewish population. During the year 1926, 98 new kassas were actually organized.

At the end of 1926 the conditions which the Verband, in agreement with us, set for the admission of a new kassa were made much more difficult. A membership of 150 and paid-in capital of 2,500 zloty are the present minimum requirements, in addition to location in a town containing a Jewish population of at least 1,500. The number of new kassas, not admitted into the Verband, is of course much larger than the above mentioned total of 98.

The following table shows the development of our efforts during the year 1926:

Date	Kassas	Members	Average Number Members per Kassa	Share Capital and Reserves	Average per Kassa (Zloty)	Average per Member
End of 1925 . .	197	68,662	349	1,595,623	8,100	23.2
End of 1926 . .	295	107,244	364	3,083,294	10,452	28.8
Increase	98	38,582	15	1,487,671	2,352	5.6
In Per Cent	50	56	4	93	29	24

Date	Deposits (Zloty) Total	Average per Kassa	Average per Member	Credits Received (Zloty) Total	Average per Kassa	Average per Member
End of 1925 . .	1,612,866	8,187	23.5	1,473,163	7,478	21.5
End of 1926 . .	7,365,039	24,966	68.7	5,363,334	18,181	50.0
Increase	5,752,173	16,779	45.2	3,890,171	10,703	28.5
In Per Cent	357	205	192	264	143	133

The occupational distribution of the members of the kassas on the 31st of December, 1926, follows:

	Number	Per Cent
Petty Traders	48,923	46
Artisans	37,400	35
Merchants & Manufacturers	8,059	7
Professionals	4,403	4
Agriculturists	2,314	2
Miscellaneous	6,145	6
Total	107,244	100

It must be mentioned, however, that the kassas founded in 1926 are in several respects weaker than those established earlier. A certain length of time is naturally always necessary for the development of deposits, because, until the kassa has been in existence for a certain period and carried on regular business, the local population does not have the necessary faith in it. Therefore the comparative table does not give an entirely correct picture of the development of the old kassas, which has been

much more favorable. The increase of own funds, deposits and credits will be seen from the following table:

Date	Kassas	Members	Average No. Members per Kassa	Share Capital and Reserves: Total	Share Capital and Reserves: Average per Kassa (Zloty)	Share Capital and Reserves: Average per Member
Jan. 1st, 1926	197	68,662	349	1,595,623	8,100	23.2
April 1st, 1926	239	76,589	320	1,898,054	7,942	24.8
July 1st, 1926	254	85,935	338	2,178,320	8,576	25.4
Oct. 1st, 1926	274	96,758	353	2,575,304	9,399	26.6
Jan. 1st, 1927	295	107,244	364	3,083,294	10,452	28.8

Date	Deposits (Zloty): Total	Deposits (Zloty): Average per Kassa	Deposits (Zloty): Average per Member	Credits Received (Zloty): Total	Credits Received (Zloty): Average per Kassa	Credits Received (Zloty): Average per Member
Jan. 1st, 1926	1,612,866	8,187	23.5	1,473,163	7,478	21.5
April 1st, 1926	2,735,574	11,446	35.7	2,562,996	10,724	33.5
July 1st, 1926	3,655,742	14,393	42.5	3,255,168	12,816	37.9
Oct. 1st, 1926	5,414,406	19,761	56.0	4,402,906	16,069	45.5
Jan. 1st, 1927	7,365,039	24,966	68.7	5,363,334	18,181	50.0

The favorable development which this table shows continued during 1927. It is obvious that the stabilization of the Polish currency, following a period of uncertainty immediately after the last change of government in May, 1926, caused a considerable increase in deposits as well as share capital. It must be especially noted that in spite of the fact that about 100 new kassas were accepted into the Verband, the average capital per member increased by nearly 25 per cent. Although this increase cannot be regarded as sufficient, the achievement is none the less noteworthy. It must be noted that the local funds increased in nearly the same proportion as the credits of the Bank dla Spoldzielni — the latter by $3\frac{2}{3}$ times and the former by about $3\frac{1}{3}$ times. In credits of the Bank dla Spoldzielni were included substantial credits which the Bank received for distribution among the kassas through the Bank of Poland and the Postal Savings Bank.

The relation between the credits of the Foundation through the Bank dla Spoldzielni and those of other institutions was 5:1. The total working capital of the kassas on December 31st, 1926, was 15,811,667 zloty, made up as follows:

Share Capital & Reserves	3,083,294 zl.	19 %
Deposits	7,365,039 zl.	47 %
Credits from the Bank of Poland & Postal Savings Bank	833,168 zl.	5 %
Credits from Foundation	4,530,166 zl.	29 %

With the stabilization of economic conditions in Poland the practice of holding only dollar accounts was partly discontinued, although even to-day considerable amounts are so held.

The very high rate of interest which was paid on deposits in the first half and even in the beginning of the second half of 1926 caused us to place a special credit of $50,000 at the disposal of the Bank dla Spoldzielni for the purpose of decreasing the exorbitant rate which certain kassas paid on deposits. The kassas were

to decrease this rate and obtain a short-time credit from the Bank, if the depositors would nevertheless retain their accounts. This fund was likewise used for the gradual substitution of zloty deposits for those in dollars, a tendency which, as mentioned, became stronger during the last half of 1926.

An essential part of our program of consolidation was the increase of the average amount of loans. In this we met with considerable success. During the year 1926, 257,972 loans for a total of 64,480,649 zloty were granted. Loans in 1925 were only 28,425,205 zloty. It must, however, be taken into consideration that the value of the zloty during the first half of the year 1925 was double what it was at the end of that year and the beginning of 1926. Discount credits and advances on notes for collection were made to the extent of 10,759,299 zloty, making a total of over 75,000,000 zloty. The average loan therefore rose to 250 zloty, as against 139 in 1925. As already pointed out, however, on account of the fall of the zloty this increase does not mean an equal rise on a gold basis, or at least not to the extent which appears from the figures.

As a natural consequence of the drop of the Polish money in the second half of 1925, the rate of interest rose everywhere to an extraordinary degree, and, since the kassas could not make loans in a stable currency, they were compelled to do likewise.

In the months of the rapid drop of the zloty, however, even the immense rate of interest — 4 to 5 per cent monthly — which was charged by the kassas failed to cover the losses caused by the fall in value. Immediately after the stabilization of the zloty we set out to decrease the rate of interest. It was clear that under more or less normal conditions no debtor would be able to pay such high interest without completely ruining himself.

Our credits in 1926 for the credit kassas — as mentioned above, the amount was $379,250 — enabled them to reduce the rate of interest considerably. This reduction had a very favorable influence on the economic condition of the Jewish population, especially in the smaller towns. The situation even at the end of 1926 was not absolutely satisfactory, but it showed an extraordinary improvement in comparison to the last months of 1925 and the first half of 1926.

The increase of our credits, as well as the slow but steady increase of the amount of deposits, especially in the second half of 1926, made it possible almost to double the term of loans. While in 1926 the average term of loans was only from two to three months, at the end of the year they were granted for four months and in Galicia even for six to eight months.

As a result of the increasing collection operations of the Bank dla Spoldzielni and the revival of trade and industry, partially caused by the British coal strike, the collection transactions of the kassas increased considerably, reaching about 192,750,000 zloty for the year. It may be of interest to compare the amount of notes for collection on hand at the end of the years 1925 and 1926. While, on December 31st, 1925, the total was only 4,020,565 zloty, it was 13,187,000 zloty at the close of 1926. Even taking into account the fall of the Polish money, there remains an increase of more than 50 per cent. It is noteworthy that with the stabilization of the zloty the kassas effected these collection transactions punctually, while in the period of inflation strong measures had to be taken in order to avoid difficulties in this

respect. Although, as a result of the decrease of the rate of interest, the income of some kassas fell in spite of new credits received from the Bank dla Spoldzielni out of Foundation funds, the income from collection transactions increased substantially, so that it covered about 50 per cent of the expenses of all kassas.

MERCHANTS' BANKS (MITTELSTANDSBANKEN OR KAUFMANNSBANKEN).

Aside from the loan and savings kassas there existed before the war "Mutual Credit Cooperatives", which served the purpose of helping the upper middle class, more particularly the merchants and industrialists. These differed from the credit kassas in their methods and the size of the credits extended.

While the credit kassas concerned themselves with loan and savings operations and granted loans only up to a comparatively small amount, the mutual credit cooperatives, or, as they came to be called after the war, the merchants' banks, extended considerable credits to Jewish manufacturers and especially merchants. As a matter of fact, the latter often could not take advantage of the normal banking credit facilities which the government offered trade and industry. In addition to loan operations, all other banking transactions were performed by these kassas. Collections, which are an important factor for the credit kassas in helping them to cover their expenses, are of fundamental importance to many kassas of this type.

During the war the mutual credit cooperatives ceased functioning. Subsequently, however, they began to revive as merchants' banks, but on a far more limited scale than the credit cooperatives, because the means at their disposal were too small.

While we shall not be in a position to aid by special credits the one or two mutual credit kassas existing in Lithuania because as a rule all sound firms may easily obtain credit from the Volksbanks, the conditions of the more complex Jewish economic life in Poland caused us to place special considerable credits at the disposal of the Bank dla Spoldzielni for these kassas for discounting notes of middle class merchants and manufacturers.

The merchants' banks in Poland in 1925 numbered 46. While the appended balance sheet for 1925 refers to 27 merchants' banks, including the bank in Wloclawek, a stock company, the figures for 1926 refer only to 25 banks, all members of the Verband.

On December 31st, 1925, the membership of the merchants' banks consisted approximately of 80 per cent merchants and manufacturers and 15 per cent artisans, the balance being in various fields of endeavor.

A comparison of the combined balance sheets of the merchants' banks for 1925 and 1926 shows that the 27 banks in 1925 had a membership of 6,365, while the 25 in 1926 contained 7,300 members. The smallest bank is that in Biala Podlaska with 92 members, and the largest is in Lodz with 627. The value of a share varies from 30 to 250 zloty.

In 1925 the average share capital per member was about 123 zloty, as compared with 19 zloty in the loan kassas, but it decreased to 118 zloty in 1926. The average share capital in the loan kassas in the same period increased to 23 zloty per member.

The working capital per member, however, increased considerably on account of the new credit of the Foundation and the discount credit of the Bank of Poland.

While in 1925 the working capital per member amounted to only 338 zloty, it was 702 zloty in 1926, composed as follows:

	Zloty	Per Cent	Zloty per Member
Share Capital & Reserves	982,815	19	135
Deposits	2,821,158	55	386
Rediscount Credits	1,319,557	26	181
Total	5,123,530	100	702

The decrease in the value of the Polish currency must, however, again be taken into consideration.

The comparatively strong support given by the Foundation to the merchants' banks in 1926 was due to the extremely bad condition of the middle class of Polish Jewry at the time of the crisis. While our credits were no doubt of great value for the revival of this important element of the Jewish population, and we may continue to assist these organizations, our main object will still be the development of the loan kassas. It must be added that we did not succeed to the desired extent in decreasing the rate of interest in these middle class kassas. Although recognizing that doubtless in transactions of a more commercial character a higher rate of interest than obtains in the credit cooperatives may be justified, we followed the development of this question in the middle class kassas with great care.

Towards the end of 1926 a careful investigation of the situation of the merchants' banks was ordered, and as a result a plan to reorganize certain banks will be worked out. Out of the 25 banks which were organized within the Verband, only 19 showed a profit for 1926, while six suffered a loss.

CENTRAL DISTRICT KASSAS.

For the purpose of furthering the work in the cooperative field commenced in 1921 by the J. D. C. and the I. C. A., it was decided to organize central district kassas, through which the cooperatives would be financed and by means of which they would come to constitute business units.

With this in view the Reconstruction Department of the J. D. C. created three central kassas, one for Congress Poland and Wolhynia, another in Bialystok for the former Governments of Grodno, Minsk, Lomza and Suwalki, and, in December, 1922, a third in the city of Lemberg for Galicia. These central kassas were established on a cooperative basis and in conformity with the Polish cooperative law.

Their membership consisted of the individual credit cooperatives and their capital was created by the sale of shares to members. According to the charter, the price of a share was 25,000 Polish marks, but in practice it actually amounted to 5 to 10 per cent of the credits granted to the cooperatives by the central kassas.

In the beginning the activities of these central organizations were quite satisfactory. With the funds placed at their disposal by the J. D. C., and later by the I. C. A., too, they financed the individual cooperatives, for which they also acted as clearing houses.

In the second half of the first year of the activity of these central kassas, however, a sharp change intervened. The funds available to the cooperatives depreciated and hardly sufficed for the covering of administrative expenses. And when,

in the beginning of 1924, the J. D. C. was liquidated and its cooperative work taken over by the Foundation, which operated through the Bank dla Spoldzielni as a financial centre for all the cooperatives, these central kassas were no longer required and soon disappeared.

UNION OF JEWISH COOPERATIVES.

All the organizing, educational and supervisory activities in which the Reconstruction Department of the J. D. C. had engaged prior to its liquidation were transferred to the Union of Jewish Cooperatives, organized in 1922 on the initiative of the Reconstruction Department. The I. C. A. continued to act independently until the establishment of the Foundation.

This Union was officially registered in 1922, and before the end of the year had already acquired great significance in the Jewish cooperative system, because, according to the ruling of the Government Cooperative Council, all cooperatives must be under the control of a supervisory union.

Thanks to the assistance of the J. D. C., which appropriated the necessary subventions, the Union was able to establish a business library and publish a number of pamphlets, which contributed towards the introduction of the standardized bookkeeping and management methods which now prevail in the kassas. As early as 1923, furthermore, the Union began publishing a monthly magazine, "The Cooperative Movement", which contained necessary information and instructions for the kassas, as well as articles about the general and Jewish cooperative movements.

As indicated above, the function of the Union assumed special importance after the liquidation of the J. D. C., and a further grant was made to enable it to work effectively. At the same time it was decided that the member cooperatives should contribute to the maintenance of the Union. Unfortunately, however, the position of the cooperatives during the second half of 1923 was such that they could not contribute towards the support of the Union, which was forced to cease operations.

Only in 1924, after the Polish currency had been stabilized and the Union had received a new subvention of $2,000, could it resume its activity. The position of the Union was further improved when the Bank dla Spoldzielni commenced to levy a special half per cent tax for the Union on all credits given.

After 1925, when the Foundation began its negotiations with the leaders of Polish Jewry, and especially of the cooperative movement, with regard to the transfer of the shares of the Bank dla Spoldzielni to the Union, that institution commenced to play a unique role in the Jewish cooperative movement. More will be said of this in the review of the Bank dla Spoldzielni's activities.

The chief concern of the Foundation when transferring the shares was to place them in the hands of organizations that would carry out the original purpose of the J. D. C. when it acquired the Bank. It was the wish of the J. D. C. that the Bank dla Spoldzielni become a bank for the cooperatives in fact as well as in name. This was likewise the demand of Polish Jewry.

Thus it happened that in 1925 a unanimous decision was reached to transfer the shares to the cooperatives themselves; in other words, to make the Union the owner of the Bank. As a result, the purely supervisory union was converted into the Union of Jewish Cooperatives at the general assembly of all the Jewish cooperatives, held in May, 1925. This was now an organization which occupied itself, not

only with inspection and education as theretofore, but with all phases of activity affecting the Jewish cooperatives, including the allocation of credits.

This change required an amendment to the Union's charter and the election of a new council of 21. The Council, which represented the entire Jewish cooperative movement, was divided into several commissions, each assigned a special task. One such commission directed credit and financial activities, another took charge of the supervision and instruction of the kassas, a third was for propaganda, etc.

The same general assembly resolved to transfer the shares of the Bank dla Spoldzielni to the reorganized Union, and the cooperatives, through the Union, thus actually became the owners of the Bank. In this connection it must be noted, however, that the transfer of the shares of the Bank was intentionally made, not to the single cooperatives, but to the Union as a whole. In this way the secession of single kassas from the Union will be avoided, or at any rate made more difficult.

The chief function of the Union naturally remained that of the control and inspection of the kassas. These activities were conducted in conjunction with the Foundation's inspectors.

During 1925, 480 inspections were made, 225 by the Union and 255 by the Foundation.

During 1926 the total number of inspections was 566, of which 333 were carried out by our inspectors, the balance by those of the Union.

The following table shows the number and kind of cooperatives organized in the Union:

	1925	1926
Credit Cooperatives	252	295
Merchants' Banks . .	24	25
Other Cooperatives .	11	16
Total	287	336

A further important function of the Union is the fostering of the cooperative idea among Polish Jewry and propaganda for active self-help.

The year 1926 was one of organization for the whole Union. The rapid growth in the number of kassas, as well as increased activity in several new fields, such as the foundation of the wholesale cooperative society "Surwyt", has very much stimulated the activity of the Verband. Interest in the important questions confronting the cooperative movement increased substantially, not only among the leaders of the entire movement, but to a large extent among the officers of the individual kassas, even in the smaller towns as well. By the establishment of branches of the Verband in Wilna and Lemberg the Union's work of supervision achieved greater results. It must be emphasized that only as a result of the united organization of the Jewish cooperative movement was the Bank dla Spoldzielni successful in obtaining substantial credits, not only from the Bank of Poland, but also from the Polish Postal Savings Bank. Although differences of opinion and interest are bound to occur, it may be expected that the movement as a whole will not suffer from them.

INSPECTION COMMISSION OF THE FOUNDATION.

The J. D. C., as previously indicated, contributed greatly in the reestablishment of the Jewish credit cooperatives in Poland. As soon as the I. C. A. resumed its activity in the field of cooperation, the J. D. C.'s work was carried on in conjunction with the I. C. A., so as to avoid duplication of effort.

Subsequent to the period of organization, and particularly after the financing of the kassas by the J. D. C. and Foundation had been taken over by the Bank dla Spoldzielni, a committee was formed, which came to be known as the Council of Five, to establish closer relations between the several bodies interested in Jewish cooperatives. The Council consisted of two representatives of the J. D. C. and the Bank dla Spoldzielni, two of the I. C. A. and an outside member.

The chief function of this committee was the allocation of the credits of the J. D. C. and the I. C. A. (as long as the latter continued to distribute its credits through its Warsaw office) among the individual cooperatives. But when, in 1925, it was decided that credits were to be granted to the kassas only by one organization, the Bank dla Spoldzielni, so that a stricter control over the cooperatives would be possible, the Council of Five was no longer required. The Foundation established as its permanent representation an Inspection Commission, which works in close connection with all cooperative central organizations, the Union of Jewish Cooperatives, as well as the central organizations of the labor cooperatives. In a spirit of the most friendly and cordial cooperation all the difficult tasks of organization, education and control are performed by mixed commissions, above all by the so-called Credit Commission, which consists of a representatives of the Bank dla Spoldzielni, the Union and the Foundation.

The funds placed at the disposal of the Jewish cooperatives in Poland by the Foundation are in this way distributed in consultation with the Inspection Commission, in order that the instructions of the Foundation regarding the granting of credits be followed.

Apart from the distribution of credits to the kassas, all important matters relating to the financing of the merchants' banks are likewise decided in consultation with the Inspection Commission. This also applies to the Foundation's credits to the workers' cooperatives.

Every day the activity of the Commission offers convincing proof of the necessity of its existence, and it may be affirmed without hesitation that this body has already contributed very appreciably to the raising of the cooperatives' morale and the improvement of their business methods.

CONSUMERS' AND PRODUCERS' COOPERATIVES.

As in other countries, the working class is generally not in a position to take advantage of the credit facilities with which the credit cooperatives and merchants' banks provide the Jewish artisans, traders, merchants and manufacturers. As a matter of fact, the needs of the working class as such hardly come within the scope of the credit cooperative kassas.

On the other hand, the Jewish labor movement, as in other countries, has attempted to establish its own cooperative institutions.

The main field of the cooperative activity of labor is the consumers' cooperative movement. Since 1844, when the famous Rochdale Pioneers founded the first consumers' cooperative store, the movement has spread rapidly over the whole world and achieved very satisfactory results, especially in England. Though, in accordance with cooperative rules, the consumers' cooperatives are open to all, as a matter of fact, workmen comprise the preponderant element in this kind of cooperative. The close connection between the labor movement in politics and the consumers' cooperative movement may be seen from the recent agreement of the cooperatives and the Labor

Party in England, as well as from the fact that the consumers' cooperative movement in Belgium is at least partly affiliated with the Socialist party.

Consumers' cooperatives stores, based on the principle of common buying and selling "without profit", especially groceries, require at the start a large number of buyers who, living under approximately the same conditions, need a certain quantity of more or less standard goods. Modern industry, with masses of workmen employed in the same factory or group of enterprises, is providing the customers for the cooperative stores. The main principles of the Rochdale Pioneers, which even to this day the consumers' cooperative movement all over the world adheres to, are the following:

1. Selling of goods against cash.

2. Selling at the usual retail prices.

3. Reimbursement of the profits made by the store (after the necessary allowance for depreciation) as "dividends" to the members, in exact proportion to their purchases. "It is this returning to the purchasers of the margin between the cost of production and price paid that distinguishes the cooperative society from capitalist joint stock trading." (Webb.)

4. The cooperative store should be open to every newcomer on the same terms as to the founders. The movement succeeded largely in organizing this amorphous body of purchasers. Thus, during the war cooperative retail societies became an important factor for the distribution of foodstuffs in the countries where the ration system was introduced.

On account of the special Jewish economic conditions the consumers' cooperative movement of the Jewish working class had to struggle against great difficulties in the fight for existence and development. The economic composition of the Jewish population in Poland, a third of whom are traders and merchants, is unfavorable to the development of a widespread consumers' cooperative movement. There is great competition by the small shop keeper, who is in a position to use the services of all the members of his family, including even the youngest children. In addition, there are no such compact masses of Jewish workmen employed in a single factory or group of factories as described above. The dispersion of Jewish workmen, who are generally engaged in the smallest enterprises, employing only from one to five men, makes it much more difficult to succeed with an economic organization for the benefit of the Jewish working classes in Poland than in other nations.

Nevertheless, owing to the strong will, unusual devotion and cooperative sacrifice of the leaders of the movement, this cooperative activity has met with considerable success.

The Jewish consumers' cooperatives were first organized during the war, when Poland was occupied by the Germans. At that time the rationing system and the distribution of commodities among the population through the consumers' cooperatives was introduced. But no sooner had peace conditions again given free rein to private trade, than these cooperatives entered a critical period. In view of the fact, however, that these organizations had shown themselves to be very useful to the welfare of the working classes, it devolved upon us to discover some means of reinforcing them. To this end it was desirable:

1. To increase the working capital of the cooperatives.

2. To create a central organization which, apart from distributing goods and credits, would also devote itself to the organization and supervision of the cooperatives.

In order to increase the working capital of the labor cooperatives, the J. D. C. appropriated $25,000.

Very soon an attempt was made to create a central organization, but it was not long before a schism had taken place, and in March, 1923, two central organizations, the Workers' Credit Central and the Workers' Economic Credit Union, were established by the Bund and the Left Poalei Zion, respectively.

These central organizations supported the cooperatives by:

1. Acting as clearing houses for their constituent cooperatives.
2. Distributing credits among their members.
3. Organizing new cooperatives throughout the land.
4. Educating the cooperatives and popularizing the idea they represent.

During this period 22 consumers' cooperatives with 35 branches held membership in the Workers' Credit Central. The membership of the Workers' Economic Credit Union will be discussed below.

Taking into account the above mentioned difficult conditions for the development of the consumers' cooperative movement among the Jewish working classes, the activity of the central organizations of the labor cooperative movement may be regarded as satisfactory. It must, however, be mentioned that to a certain extent the depreciation of the Polish currency strengthened the financial position of the central organizations. While they certainly suffered some losses by the devaluation of outstanding debts, they profited to a much larger extent as debtors.

For example, the depreciation of the Polish mark enabled the Workers' Credit Central in 1923 to repay their total debt of $18,000 to the J. D. C. with a sum of Polish marks equal in value to $107.

The prosperity of the cooperatives is also accounted for by the fact that the workmen, who were almost always employed, bought heavily in the cooperative stores, because the steady fall of the currency made saving inadvisable. The turnover of the individual cooperatives, and therefore of the central organization, was thus appreciably increased. The effect of these conditions was a steady decline in the overhead expenses of central office as well as cooperatives and a steady rise in the value of goods on hand.

At this time the Workers' Credit Central's own capital, including reserves and profit on goods plus interest, amounted to some $12,000, while outside capital was equal to only $2,000.

In the beginning of 1924 the Workers' Credit Central counted 21 consumers' cooperatives with 10,000 individual members and 44 enterprises. Of these last, 8 were bakeries, one a cantine and one a book shop, while the 34 others were stores. In addition, this Central included one producers' cooperative in Wilna with twelve workshops and 106 members, as well as two publishing establishments with 32 members. The membership of the cooperatives was actually at least 50 per cent less then the above figures, because the majority of the members never paid for their shares the three to five zloty required of each member since the date of currency stabilization.

The economic conditions which prevailed during the period of inflation made it possible for all members of the Worker's Credit Central, with the exception of one publishing cooperative, to close their accounts for 1923 with a profit.

During 1924 and 1925, on the other hand, these labor cooperatives suffered heavily from the serious economic crisis. Eight cooperatives belonging to the Workers' Credit Central were forced to suspend activities. In 1925 the cooperatives of the Workers' Credit Central were reorganized and the working principles changed. The Warsaw cooperative was converted into a central district cooperative for part of Congress Poland, some of the provincial cooperatives becoming branches. By means of this centralization, overhead expenses were reduced and a stricter control made possible.

As early as January, 1925, the Warsaw cooperative had 9 branches in three cities, and by July of that year there were 17 branches in seven cities.

	In Warsaw			In the Provinces		
	Stores	Kitchens	Bakeries	Stores	Kitchens	Bakeries
On January 1st, 1926, there existed:	8	1	—	11	—	—
There were founded during 1926:	9	—	1	21	2	4
Total	17	1	1	32	2	4

In all: 57 institutions.

The second central organization, the Workers' Economic Credit Union, was far more limited in its activities. At the beginning of 1924 this Central included 15 cooperatives and 34 stores. Among these were bakeries, book shops and a tea room. But at the beginning of 1925 only 11 cooperatives remained, the others having been liquidated. In 1926, however, new stores were opened, so that at the end of 1926 there existed 17 stores, 2 kitchens and 4 bakeries, a total of 23 enterprieses.

On December 31st, 1926, among the debtors of the Workers' Credit Central, the General Workers' Cooperative of Warsaw, with 22 branches in the provinces, owed the most. This largest Jewish consumers' cooperative society in Poland had 2660 members; it owed the Workers' Credit Central on December 31st, 1926, 276,415 zloty; the capital and reserves amounted to 19,393 zloty; and the value of merchandise was 296,786 zloty. The society employs 137 workers in its stores.

The General Workers' Cooperative in Bialystok, with two stores and one kitchen, employs 13 people and has 415 members. The paid-in capital and reserves amount to 11,681 zloty. The cooperative owed 10,096 zloty to the Workers' Credit Central.

In addition, there are "General Cooperative Societies" in Konsk and Wloclawek. In Konsk the number of members is 88; capital and reserves total 2,154 zloty; and the cooperative owes 10,731 zloty to the Workers' Credit Central. In Wloclawek there are two stores, one kitchen and one bakery with 20 employees. The society has 171 members; capital and reserves amount to 5,420 zloty. The credit received from the Central is 14,809 zloty.

The General Workers' Cooperative in Warsaw was established when the individual cooperatives in the provincial towns became its branches. Thus, the administration expenses, especially those for bookkeeping, were considerably reduced, so that more efficiency was guaranteed. Undoubtedly this is a great advantage and may be

regarded as a successful reform. The independent cooperatives in Bialystok, Konsk and Wloclawek will very likely eventually be consolidated with the General Workers' Cooperative in Warsaw.

In consequence of the centralization of its affairs, the General Cooperative in Warsaw on December 31st, 1926, succeeded in obtaining a merchandise credit of 151,000 zloty from Spolem, the national federation of Polish consumers' cooperatives.

The consumers' cooperative societies of the Poalei Zion, six in number, with 17 stores, had a credit of 88,517 zloty from their central organization, the Economic Credit Union.

The Workers' Credit Central closed its books for 1926 with a net profit of 2,267.30 zloty. The Economic Credit Union showed a profit of 1,387.80 zloty.

The consumers' cooperative movement has achieved splendid results in the various countries, and can show a certain success among the Jews of Poland, in spite of the special conditions described above. While the producers' cooperative movement is developing more smoothly, it is as yet too early to expect important results.

The unfavorable composition of the Jewish working classes and the extreme dispersion of the workers, generally employed in the smallest establishments, may, however, require new attempts in this direction. Statistics show that the Jewish worker is constantly losing ground in his competition for employment. More and more he is being driven out of the larger enterprises to smaller ones, thereby losing, according to the Polish law, the right to the small unemployment dole to which workmen in the larger enterprises are entitled.

Furthermore, the possibilities of finding work are becoming more and more limited, because the place from which a Jewish worker has been ousted is immediately occupied by a non-Jew. A further serious drawback is the loss in professional training of the Jewish worker, which results from the gradual exclusion of Jews from the larger enterprises which are equipped with modern machinery. The professional training schools in Eastern Europe, though largely supported by the I. C. A. and the J. D. C., as well as by other organizations, cannot fully replace training in a well equipped and well managed factory.

At present there exist some advantages for producers' cooperatives in Poland on account of the government's economic policy, which puts heavy taxes on private capitalistic ventures, but favors cooperative enterprises by partly or entirely releasing them from certain taxes.

The Foundation had to consider very carefully the question of supporting this movement, which showed some activity, especially in the second half of 1926. Finally we decided to support the experiment to a certain extent, trying to establish the best conditions for the realization of its aims. We are, however, aware of the fact that even the investment of large amounts will make possible the employment of only a comparatively small number of Jewish workers, the average amount of capital needed for the employment of one worker being very high — $200, or even more.

While, at the close of 1925, besides two publishing cooperatives, one of which issued the Yiddish daily newspaper, "Volkszeitung", there existed only three producers' cooperatives connected with the W. C. C., during the year 1926 their number increased to thirteen with 552 members. The employees in these cooperatives numbered only 388. The balance sheets show share capital and reserves of 166,280 zloty. The cooperatives owed the W. C. C. 240,655.18 zloty; in addition they have other

debts totalling 174,548 zloty. The total value of goods produced was 985,553 zloty, and the administrative expenses, including wages, amounted to 472,729 zloty. It would certainly be premature to predict the further development of the movement. At any rate, though some success has been attained, the need of credit is far from being satisfied. This continuous need of credit is partly due to the fact that the majority of these cooperatives produce from their own raw material and have comparatively large stocks of manufactured goods, both of which factors require a considerable amount of working capital.

The total credit which the W. C. C. had received from the Foundation by December 31st, 1926, was $77,072, the greater part of which, $53,272, had been given in 1926.

The activity of the Economic Credit Union, the central economic institution of the Poalei Zionist party, is less developed, as in the field of the consumers' cooperative movement. Seven producers' cooperatives were founded, however, in 1926, in Warsaw and in the provinces, 119 workmen being employed in these enterprises. Besides these institutions, there exists one publishing cooperative in Warsaw, in which 9 men are employed.

The total credit of the Foundation to the Economic Credit Union amounted to $20,404 by December 31st, 1926, $13,728 of which was granted in 1926 alone.

There is no doubt that the development of the Jewish producers' cooperatives will meet with some difficulties which here and there may even lead to a breakdown of some of them. We are doing our very best, however, in order to give labor a fair chance to build up economically sound institutions of its own.

SURWYT.

The development of the cooperative movement among the Jewish population and the needs of the different classes require a continuous and careful search for new methods of cooperative work. Thus, one of the most important questions for Jewish artisans is the purchase of raw material. After long discussions and deliberations the purchasing cooperative Surwyt was created in Warsaw with the aid of a special credit of $10,000, which the Foundation put at the disposal of the Bank dla Spoldzielni. There is no doubt that a common purchasing agency will be of great value to certain groups of artisans, who are generally compelled to buy raw material under very unfavorable conditions. There arose, however, the question whether the new cooperative should limit its activity to that of a commission agency, or become a kind of wholesale society, buying and selling on its own account.

Though it is difficult to say if this experiment is likely to be successful, certain good results have surely been obtained. In close connection with the Artisans' Cooperative Bank, Surwyt succeeded in rendering considerable service to its clients. It is, however, to be regretted that one of the essential rules of cooperative marketing, selling only for cash, has not always been followed.

Surwyt was founded in April, 1926. The total turnover for the year 1926 was about 717,000 zloty, approximately $80,000. On December 31st, 1926, the cooperative had 355 members, who had paid in a share capital of 7,680 zloty (the price of a share is 25 zloty). As may be seen from the balance sheet, considerable credits have been granted to the clients, amounting to a total of 82,365.34 zloty. This compelled Surwyt to avail itself of credit from the manufacturers to the extent

of 87,532 zloty, a procedure which of course is not in conformity with the cooperative rule of buying for cash, which enables the cooperatives to obtain the best prices from the manufacturers. Besides the credit of $10,000 from the Foundation, Surwyt has a credit of 56,000 zloty with the Artisan's Bank, which it uses in discounting the notes received from its customers. It has also obtained through the Bank dla Spoldzielni a credit of 50,000 zloty from the Polish Postal Savings Bank.

Surwyt closed its first year with a net profit of 6,065 zloty, from which amount the organization costs have still to be deducted.

After some difficulties during the first months of the existence of Surwyt, the present management seems competent to carry on this important cooperative business experiment.

BANK DLA SPOLDZIELNI.

As pointed out in the section relating to the Union of Jewish Cooperatives in Poland, there exists in Warsaw a central financial institution for all the cooperatives of the country, called the Bank dla Spoldzielni (Bank for Cooperatives).

By the end of 1922, thanks to the initiative of the J. D. C. and the I. C. A., 190 credit cooperatives and approximately 40 consumers', producers' and other cooperatives had come into existence, and, furthermore, some 1300 Jewish families had received assistance from the J. D. C. which enabled them to commence the reconstruction of their ruined homes. It now became necessary to found some central institution which could take over the activity of the J. D. C.'s Reconstruction Department, then in process of gradual liquidation.

Of course the only institution that could be considered was one which would partake of the character of a public organization. This organization was to become the financial and spiritual centre for the rehabilitation of Jewish economic life in Poland. In other words, the need of a central bank was apparent even at that early date. As a result of this realization, and in view of the fact that the Polish government refused to grant a charter for the creation of such a bank, practically all the stock of a private bank in Warsaw, which had theretofore engaged in very little actual business, was acquired. Thus the Bank dla Spoldzielni came into existence.

The nature of the Bank was determined upon immediately after its acquisition by the J. D. C. The Bank would be purely public and its functions were:

1. To supply the various kinds of cooperatives with cheap credits.
2. To support the work of rebuilding dwellings destroyed during the war.
3. To represent the interests of the various economic classes of the Jewish population: artisans, small traders, etc., before the government and public institutions.

During the first year of operation the Bank had a turnover of about 3,260 billion Polish marks, from which must be deducted more than 300 billion Polish marks which were disbursed through the Bank by the J. D. C. for housing reconstruction and therefore do not appear in the Bank's balance sheet.

A survey of the first year of the Bank's activity shows that currency operations accounted for 18 % of its business and were the most important single item. It should be added that 98 % of these transactions were carried out on behalf of the J. D. C., and therefore without any risk. On the other hand, 85 % of the Bank's profit during

the year was due to this J. D. C. business. Second in importance came credits for the cooperatives and collections. During the year the Bank received 15,000 bills, of which a third came from the cooperatives.

The Bank closed its first year with a profit of ten billion marks. In this first year it was able to entrench itself firmly and to occupy its ordained position as the bank for cooperative reconstruction.

The question of the credits granted by the Bank to the cooperatives will be discussed in detail below. Up to 1926 the Bank operated on funds obtained almost exclusively from the J. D. C. and the Foundation, for it was not in a position to receive other credits and was not permitted to accept deposits.

During 1924, when the condition of the cooperatives and the possibilities for their development improved as a result of currency stabilization and the apparent dawn of a new period in Poland's economic life, it became clear that the Bank could not continue its activity as a mere distributor of moneys placed at its disposal by the J. D. C. Apart from the fact that the Bank was not in a position to meet the requirements of Polish Jewry, which more and more concentrated around the Bank as the only Jewish institution of its kind, the Bank dla Spoldzielni no longer had the possibility of covering its administrative expenses. For, as we have said, 85 per cent of its total income during the first year of activity accrued from J. D. C. transfers. These, however, gradually diminished and no other source of income took their place, because the Bank conducted no regular banking operations. On the other hand, it could not raise the rate of interest on credits granted to cooperatives, because this was hardly in conformity with its purpose of supplying the cooperatives with cheap credits. Indeed, a higher interest rate was out of the question, as the rate was determined by the Foundation.

The most important phase of the problem, however, was not the inability of the Bank to cover its expenses, but the danger that under these circumstances the Bank could not develop into an important factor in the economic life of Polish Jewry in general and of the cooperatives in particular.

The continued productive existence of the Bank could only be guaranteed by doing away with the prohibition against actual banking operations, such as collections, discounts, transfers and the acceptance of deposits. It was felt that these operations would mean, not only an increase of revenue to the Bank, but also a service rendered to the Jewish population and a means of attracting funds to help the cooperatives.

In November, 1924, the Council of the Foundation therefore authorized the managing directors of the Bank to seek means whereby the Bank might occupy itself with ordinary banking operations without losing its social and purely cooperative nature and without incurring any risk.

After protracted conversations and discussions it was decided to make the cooperatives the owners of the Bank by transferring to them its shares, for it was difficult to maintain the Bank in its former position, and yet it was impossible for the Foundation to permit banking operations as long as it was the owner of the Bank.

The Foundation, as we have indicated in the section concerning the Union, stipulated as its first condition that it would transfer the shares to an organization created by the cooperatives, if the Foundation would have the assurance that the Bank would retain its cooperative character and carry out the purpose for which it was

founded. Accordingly, in May, 1925, the former supervisory union was converted into the Union of Jewish Cooperatives in Poland. Thereupon 51 per cent of the shares were transferred to it.

Some arrangement had to be made for the funds which the Foundation still had in the Bank, because the relation of the Foundation to the Bank had now become that of a creditor. The result was a legally certified agreement which provided for the repayment of the Foundation's credits, as well as for their use before repayment.

In addition to the 51 % of the shares which were temporarily transferred to the Union, 15 % were set aside for the workers' cooperative movement. The remainder of the shares still in the hands of the Foundation were to be given to the Union as the Bank repaid its debts to the Foundation.

The future of the Bank was thus placed in the hands of Polish Jewry itself. The persons at the head of the Union and of the Bank, who from the very beginning conducted their work with the greatest self-sacrifice and energy, are a guarantee for future success.

While especially during the last period of the depreciation of the currency it was not possible for the Bank to live up to expectations, it may be said that to-day, despite the still critical economic situation, the Bank plays an important role in Polish Jewish life and has won the confidence of the entire Jewish population. The Bank is the only strong financial institution through which, thanks to the funds of the Foundation, the Jewish artisans, merchants and, indeed, whole middle class can obtain assistance.

The housing reconstruction activities, which had been carried on by the Bank, were now taken over by a special department of the Foundation in Warsaw. The two balance sheets appended will give an idea of the development of the Bank dla Spoldzielni.

It cannot be denied that the existence of a central credit institution like the Bank dla Spoldzielni has the effect of making the credits of the Foundation to individual kassas more expensive, because the Bank naturally received a higher rate of interest than the Foundation charges it. It must be stated, nevertheless, that the difference between the interest rate of the Foundation and that paid by the kassas fortunately tends to decrease, and to-day amounts to only 3 % for long-term credits. The interest rate of the Foundation is 3 %; the Bank charges 6 % at a time when the Bank of Poland rate is no less than 9 %. The importance of the Bank dla Spoldzielni as a central credit institution, however, lies in the fact that a powerful Jewish economic bulwark has been established, with which other economic organizations must reckon. Theoretically, of course, the Union could serve the purposes of a central credit institution for the Foundation, but for outside economic circles and for the government it is of paramount importance to have a central banking house. For example, only after the Bank had given its guarantee, did the Postal Savings Bank advance a one million zloty credit to the Artisans' Union. The mere note of the Artisans' Union was not sufficient. Likewise, the rediscounting of a sum of one million zloty by the Bank of Poland would have been out of the question, had not a central Jewish bank acted as intermediary.

Over and above this, the existence of a central banking institution makes for better business methods on the part of the cooperatives. At the same time we have been entirely successful in maintaining the strictly cooperative nature of the bank.

THE CENTRAL PEOPLE'S BANK OF THE WILNA JEWISH COOPERATIVES.

The Wilna Central People's Bank was organized in July, 1921, on a cooperative basis. Thanks to the great energy of its leaders and to the support of the J. D. C. and the I. C. A., and later of the Foundation, this institution developed satisfactorily, despite a number of crises through which it passed.

According to the charter, cooperatives as well as individuals may hold membership in the Bank. At the end of 1926 the membership was constituted as follows:

Credit cooperatives, including those in the Bialystok region	109
Other cooperatives	28
Individuals, firms and organizations	36
Total	173

The par value of a share is fixed by the charter at 25 zloty.

Members receiving credits are required to pay for shares 5 % of the credit obtained. The share capital raised by the bank in this manner amounted, at the end of 1926, to 68,644.73 zloty. Each member accepts a ten-fold responsibility for the shares he holds.

The working capital of the Bank, according to the balance sheet of December 31st, 1926, consisted of:

	Zloty
Own Capital, (Capital and Reserves)	92,316.46
Other Local Funds (Current Accounts and Deposits)	599,641.21
Credits from the Bank dla Spoldzielni	636,397.07
Total	1,328,354.74

By December 31st, 1926, outstanding credits of the Bank in Wilna amounted to 759,025.50 zloty, due from cooperatives in the Wilna district, and 342,913.73 zloty from individuals and firms.

The Wilna Bank uses a part of its working capital for loans to private persons and institutions, members as well as non-members, in the form of advances against bills which the borrowers send the bank for collection. The collection operations of the bank represent a very important part of its activity. The number of notes received for collection averages 4,000 per month. This branch of the bank's operations accounts for a very appreciable portion of its total income.

Attached to the Central Bank in Wilna is an independent branch of the Warsaw Union of Cooperatives, which devotes itself to the instruction of the kassas in the Wilna district. This branch works in conjuction with the Inspection Commission of the Foundation, and in 1926 made 70 inspections of kassas, participated in their annual and special meetings, and assisted them with information and instruction.

HOUSING RECONSTRUCTION.

At the beginning of this report we indicated the sad state of the several districts of Poland which had suffered and, in some cases, been totally devastated during the war. It would be superfluous to take up this subject again and we wish here merely to allude to it generally.

The population of the territories which lay within the war zone was dispersed. Most of these people fled into the interior of Russia and parts of Austria-Hungary. There were instances in which all the inhabitants of a city were forcibly driven

eastward and compelled to wander from place to place. The rest of the Jews, those who had not left their homes, lived for several years under indescribable conditions, in caves and in the cellars of demolished houses.

When the exiles returned they found that, not only had their homes and their possessions been destroyed, but that the destruction of their stores and workshops made it impossible for them to earn a living.

The two big Jewish organizations, I. C. A. and J. D. C., supported the returning fugitives in the rebuilding of their destroyed homes.

After 1921 the I. C. A. financed the reconstruction activity of the Ekopo, which the latter had been carrying on since 1919 in the districts of Wilna and Nowogrodek.

In 1921 and 1922 loans amounting to 155,167,000 Polish marks were granted for the rebuilding or reparation of the homes of 789 families in more than 30 towns and villages. For this purpose the I. C. A. gave $20,000 in 1921 and $15,000 in 1922. In 1923 and 1924 the I. C. A. assigned $40,000 more for rebuilding the homes of 223 families in 18 localities. The credits were mostly for agriculturists and artisans. Loans varied from $90 to $160. Finally, in 1925 and 1926, the I. C. A. limited its activity along these lines to the completion of houses, the owners of which had not sufficient means of their own to continue rebuilding. During these two years, 50 loans, averaging about $106 (a total of $5,305), were granted.

In 1922 the J. D. C. organized a separate section of its own for this purpose, The Reconstruction Department.

The work of this Reconstruction Department was attended by numerous difficulties, one of which — and by no means the slightest — was the circumstance that of the people who were to receive aid from the J. D. C. for the rebuilding of their homes, very few were in possession of documents attesting their title to property, even in those districts where the records had been saved from destruction. For the most part, their documents were either lost or destroyed. This caused serious inconvenience until it was possible to ascertain the ownership. It thus came about that the Department occupied itself, not merely with technical matters and with the building of the best housing and working accomodations for the returned fugitive Jews, but also with legal matters that were usually quite complicated.

Before devising a definite plan for the work in Poland, the Department disired to obtain a correct idea of the amount of damage done. For this purpose a questionnaire was sent to 956 cities and towns. Of these, 351 replied and it appeared from the answers that, of the 351 cities, 38 urban centres had not suffered at all, while in the remaining 313 places, 37,127 buildings belonging to Jews had been destroyed.

The destruction may be classified as follows:

In	43	towns	1	to	3	buildings
,,	77	,,	5	,,	20	,,
,,	65	,,	20	,,	50	,,
,,	44	,,	50	,,	100	,,
,,	19	,,	100	,,	150	,,
,,	12	,,	150	,,	200	,,
,,	37	,,	200	,,	400	,,
,,	10	,,	400	,,	700	,,
,,	2	,,	700	,,	1000	,, and
,,	4	,,	more than a thousand buildings had been demolished.			

It was likewise ascertained that in 164 additional towns 19,145 houses had been ruined. This made a total of 56,272 buildings in 477 towns. If an estimate be ventured for the towns which submitted no data, the number of Jewish homes demolished in the entire country can probably be placed at no less than 100,000.

Only the district of Slupce in Congress Poland and the seven districts of Chrzanow, Oswiecim, Biala, Zywiec, Wadowice, Myslenice and Nowy Targ in Western Galicia remained untouched. No others escaped the terrible devastation of the war.

If we assume that each of the 100,000 ruined homes had housed an average of five persons, we find that 500,000 Jews, most of them the inhabitants of smaller cities, were affected by the situation.

After the conclusion of the Brest-Litowsk Treaty a part of the Jewish exiles returned to their towns. It was for these victims that the Reconstruction Department did most of its work.

A study of the map shows that the destruction was worst in the eastern provinces and the reconstruction activity was accordingly commenced there. By districts the work was divided as follows:

1. The Brest-Litowsk district, including 19 cities, with headquarters in Brest-Litowsk.
2. The Grodno district, including 6 cities, with headquarters in Grodno.
3. The Lemberg district, including 65 cities, with headquarters in Lemberg.
4. The Wolhynia district, including 7 cities, with headquarters in Rowno.
5. The Wilna-Nowogrodek district, including 36 cities, supervised by the Ekopo office in Wilna.
6. The Congress Poland district, including 26 cities, with an office in the city of Warsaw.

Difficulties of organization subsequntly arose which necessitated the closing of the provincial offices and the concentration of all the work in Warsaw. Only in Wilna, and there in a limited way, were the services of the Ekopo required.

Among the towns in which the J. D. C. planned rebuilding, those receiving primary attention were:

1. Towns in which 50 % of the Jewish homes had been destroyed.
2. Towns in which the Jews membered at least 40 % of the total population.
3. Towns in which the majority of the returned refugees were homeless and where the situation was aggravated by a constant stream of more repatriates.

The initiative of the population itself played an extremely important role in the work of reconstruction. This circumstance, as well as geographical, organization and technical considerations, together with the three principles outlined above, helped in deciding which towns were to have the benefit of reconstruction activities.

The housing reconstruction activity of the J. D. C. was conducted in:

19 cities in the Brest district,
6 „ „ „ Grodno „ ,
65 „ „ „ Lemberg „ ,
7 „ „ „ Wolhynia „ ,
36 „ „ „ Wilna „ , and
26 „ „ Congress Poland, so that during the years 1922 to 1925 the J. D. C. engaged in reconstruction activities in 159 cities.

The work was conducted in the following manner: In each city where reconstruction work was to be done, a local committee was first organized. The work of this committee consisted largely in submitting information and documents concerning each applicant and determining the size of the loan to be given and the amounts and periods of repayments. The amount of each loan was determined after an investigation, the cost of rebuilding being ascertained by means of questionnaires. In every case a plan of the proposed structure had to be submitted.

In addition, legal investigations were made to ascertain property rights, etc. The Reconstruction Department attached great importance to the finding of the papers by which the title of the applicant to his destroyed property could be clearly made out. This branch of the work succeeded in establishing the property rights of thousands of Jews.

Repayments were fixed after a careful study of the condition of the home which had been partly demolished, the progress of rebuilding, and the probable date on which reconstruction would be completed. Special attention was given to insurance. As far as possible, it was insisted that all borrowers insure their homes with the Polish Mutual Insurance Company, which was a semi-official public institution. This step was taken because the above-mentioned company has the legal right to compel insurance of buildings to the extent of two-thirds of their value.

Loans were granted for buildings already in process of reconstruction, and to persons who were just about to begin rebuilding and who were likely to complete the home during the same season. The first part of loans in this second category was advanced when the materials were already on hand and work commenced.

At the start the loan maximum was set at 40 % of the estimated cost of construction, including the foundation. Loans not exceeding 75 % of the estimate as submitted by the inspector were granted to persons who had already commenced rebuilding and to owners of houses only partially destroyed, but only on condition that this 75 % of the cost of completing a house would not exceed a sum equal to 40 % of the cost of erecting an entirely new structure with the foundation.

At first loans never exceeded 2,000,000 Polish marks. They averaged between 500,000 and 800,000 Polish marks, but as a result of mounting prices a maximum of $400 was reached within the next few years.

During the early period loans were granted for a term of five years, but later for shorter terms as well. The early interest rate of 9 % per annum was increased later to 15 %.

All legal expenses were borne by the borrowers. Loans were paid out in one, two, three and four instalments, according to the progress made in building and after investigation by an inspector. Of late, insofar as possible, loans have been paid in one instalment.

The repayment of loans, in quarterly instalments, began two years after the money had been paid out. Interest was paid at the beginning of every quarter.

As far as repayments are concerned, it must be said that despite the unhappy economic conditions the borrowers have made every effort to meet their obligations. Even during the recent crisis 50 % of all repayments due were made punctually.

All loans were made with mortgages as security. Only where a mortgage could not be secured or where the loan amounted to no more than 300,000 Polish marks (and later to 600,000 Polish marks) were exceptions made. In such cases two persons,

recognized as reliable by the local committee and the representatives of the Reconstruction Department, guaranteed the loan. Later on only mortage securities were accepted. The loans were granted only after all legal formalities had been settled and after the applicant had signed the necessary agreements. In the granting of loans reemigrants always had first call.

The Reconstruction Department also published two pamphlets on the legal aspects of property ownership and matters of construction technique. These were distributed widely among all prospective builders.

In connection with our discussion of the Bank dla Spoldzielni we have already mentioned that when the Bank was reorganized and its shares transferred to the Union, the Reconstruction Department was separated and continued to function under the direct supervision of the Foundation in Berlin. All financial operations incident to reconstruction activities, such as the granting and collection of loans, were conducted through the Bank as the agent of the Foundation. In 1925 a program for the gradual liquidation of housing reconstruction activities in Poland was prepared, as had been done in other countries. Although new building loans were to be granted, provision was made for the progressive withdrawal of Foundation funds. The amount loaned was to decrease from year to year, ceasing altogether in 1928.

This account of housing reconstruction would not be complete without pointing out the energy and sacrifices of the Polish Jews themselves.

In all, the following sums were made available for housing reconstruction work in Poland up to December 31st, 1926:

By the I. C. A.		$ 80,305.00
By the J. D. C.	$300,491.82	$440,491.82
By the Foundation	$140,000.00	

TABLES

ASSETS — COMBINED BALANCE SHEETS OF THE

	December 31st, 1922 194 Cooperatives, 84,597 Members		December 31st, 1923 192 Cooperatives, 98,205 Members	
	Amount Polish Marks	% of Total	Amount Polish Marks	% of Total
Cash on Hand and in Banks	269,812,026	7.1	12,445,654,000	10.0
Securities	7,186,750	0.2	1,843,457,000	1.5
Loans Outstanding	2,806,380,693	74.2	41,401,958,000	33.2
Correspondents	—	—	2,038,978,000	1.6
Shares in Central Institutions	67,537,005	1.8	562,526,000	0.5
Furniture and Fixtures	22,898,744	0.6	754,840,000	0.6
Administration and Organization Expenses	295,885,765	7.8	22,220,502,000	17.9
Interest Paid	—	—	1,574,171,000	1.3
Suspense Accounts and Sundry Debtors	309,906,079	8.2	11,217,684,000	9.0
Loss Brought Forward	4,629,799	0.1	9,417,000	—
Collection Items	—	—	30,360,338,000	24.4
Total	3,784,236,861	100	124,429,525,000	100

LIABILITIES

	Amount Polish Marks	% of Total	Amount Polish Marks	% of Total
Share Capital	276,777,158	7.3	6,291,071,000	5.0
Reserves	128,908,755	3.4	8,484,028,000	7.0
Deposits	199,417,192	5.3	12,883,550,000	10.4
Credits Received	2,502,985,896	66.1	18,516,738,000	14.9
Earnings	294,276,491	7.8	30,541,520,000	24.5
Suspense Accounts and Sundry Creditors	378,752,479	10.0	11,692,875,000	9.4
Net Profit Brought Forward	3,118,890	0.1	76,943,000	0.0
Collection Items and Correspondents	—	—	35,942,795,000	28.8
Total	3,784,236,861	100	124,429,525,000	100

ASSETS

December 31st, 1924 175 Cooperatives, 50,010 Members		December 31st, 1925 197 Cooperatives, 68,662 Members		December 31st, 1926 295 Cooperatives, 107,244 Members	
Amount Zloty	% of Total	Amount Zloty	% of Total	Amount Zloty	% of Total
212,911.29	4.6	733,589.37	6.9	1,887,738.57	5.6
5,944.20	0.2	—	—	159,545.96	0.5
2,329,385.64	51.4	3,742,058.91	35.1	13,980,247.56	41.7
88,501.09	2.0	118,931.08	1.1	—	—
7,582.95	0.3	49,284.48	0.5	58,171.58	0.2
27,385.82	0.6	289,650.68	2.7	528,882.90	1.6
468,615.20	10.4	1,478,833.24	13.9	2,454,737.02	7.3
100,965.73	2.0	354,874.01	3.3	630,024.35	1.9
136,439.39	3.1	167,678.19	1.6	603,108.93	1.8
3,088.07	—	—	—	41,666.10	0.1
1,139,844.67	25.4	3,711,801.41	34.9	13,186,944.87	39.3
4,520,664.05	100	10,646,701.37	100	33,531,067.84	100

LIABILITIES

Amount Zloty	% of Total	Amount Zloty	% of Total	Amount Zloty	% of Total
539,094.00	11.9	1,296,660.76	12.2	2,513,763.59	7.5
66,401.57	1.5	298,962.69	2.8	569,529 93	1.7
796,784.08	17.7	1,612,866.21	15.3	7,365,038.66	21.9
1,076,409.87	23.7	1,473,163.22	13.8	5,363,333.66	16.0
610,484.84	13.5	1,738,165.17	16.3	3,168,996.88	9.5
134,661.66	2.9	206,317.09	1.9	596,584.43	1.8
1,198.08	0.0	—	—	3,967.46	0.0
1,295,629.95	28.8	4,020,566.23	37.7	13,949,853.23	41.6
4,520,664.05	100	10,646,701.37	100	33.531,067,84	100

Combined Balance Sheet of the 27 Merchants' Banks, December 31st, 1925.

Assets	Zloty	Per Cent
Cash and Foreign Currency on Hand	242,153.57	3.5
Cash in Banks	55,267.65	0.8
Securities	34,438.55	0.5
Notes Discounted	1,773,543.96	25.6
Correspondents' Accounts "Loro"	104,106.20	1.5
Correspondents' Accounts "Nostro"	101,577.40	1.4
Suspense Accounts	136,755.39	2.0
Real Estate, Furniture and Fixtures	69,866.24	1.0
Administrative Expenses	587,217.53	8.5
Interest and Commissions Paid	64,259.64	0.9
Expenses Subject to Refund	1,217.11	0.0
Collection Items	3,762,401.23	54.3
	6,932,804.47	100.0

Liabilities	Zloty	Per Cent
Share Capital	781,790.67	11.3
Reserves	146,174.90	2.1
Deposits and Current Accounts	989,102.12	14.3
Notes Rediscounted	236,141.11	3.4
Correspondents' Accounts "Loro"	72,268.25	1.0
Correspondents' Accounts "Nostro"	29,601.37	0.4
Suspense Accounts	112,825.45	1.6
Interest and Commission Income	654,022.32	9.4
Collection Items	3,910,878.28	56.5
	6,932,804.47	100.0

Combined Balance Sheet of the 25 Merchants' Banks. December 31st, 1926.

Assets	Zloty	Per Cent
Cash on Hand	410,641.44	2.7
Foreign Currency on Hand	63,972.88	0.4
Cash in Banks	246,116.27	1.6
Securities	29,384.59	0.2
Notes Discounted	3,654,565.85	24.1
Credits in Current Account	1,489,734.01	9.8
Correspondents' Accounts "Loro"	293,415.45	1.9
Correspondents' Accounts "Nostro"	48,718.85	0.3
Suspense Accounts	203,157.82	1.3
Furniture and Fixtures	83,820.91	0.5
Administrative Expenses	821,539.40	5.4
Interest Paid	328,202.24	2.2
Loss for Year 1925	13,646.76	0.1
Collection Items	7,493,332.50	49.5
	15,180,248.97	100.0

Liabilities	Zloty	Per Cent
Share Capital	864,392.39	5.7
Reserves	118,422.97	0.8
Deposits	2,821,157.71	18.6
Notes Rediscounted	1,319,556.85	8.7
Correspondents' Accounts "Loro"	184,118.28	1.2
Correspondents' Accounts "Nostro"	5,928.75	0.0
Suspense Accounts	611,643.41	4.0
Interest Income	578,745.75	3.9
Commissions	728,370.46	4.8
Profit for Year 1925	2,990.71	0.0
Collection Items	7,944,921.69	52.3
	15,180,248.97	100.0

Town	Jewish Population	No. of Members	Notes Discounted	
			Total (Zloty)	Balance Dec. 31st. (Zloty)
Biala Podlaska	6,875	92	353,884	69,602
Bialystok	39,600	357	247,085	57,602
Brest-Litowsk	15,630	163	404,663	70,421
Chelm	12,065	425	335,387	90,230
Czestochowa	22,660	269	410,434	90,936
Dubno	5,315	247	268,768	76,377
Grodno	18,700	274	512,241	90,557
Kielce	15,530	216	243,463	46,421
Lodz	156,155	627	1,529,888	388,183
Lomza	9,130	177	627,617	141,156
Lublin	37,340	545	1,217,288	297,693
Luck	14,800	251	496,126	145,535
Miedzyrzec	9,415	188	283,358	83,769
Pinsk	17,515	178	705,964	143,997
Posen	1,800	149	346,068	49,654
Radom	24,645	195	336,924	62,245
Rowno	21,705	332	4,934,546	33,570
Siedlce	14,685	170	705,964	132,248
Sosnowiec	13,645	257	241,745	50,678
Stryj	10,990	247	54,138	14,381
Suwalki	5,750	120	253,472	44,692
Warsaw	289,950	384	224,341	398,396
,,		588	2,916,770	814,037
,,		158	174,669	41,903
Wilna	53,500	417	1,474,526	220,272
Wloclawek	9,595	487	2,031,934	458,916

Other Credits (Zloty)	Share Capital and Reserves (Zloty)	Deposits (Zloty)	Credits Received (Zloty)
8,265	15,178	49,163	14,368
30,145	16,333	15,753	51,991
60,877	26,626	103,101	. . .
245,978	19,672	277,358	11,850
—	24,112	121,251	32,303
224,888	35,399	86,590	18,888
—	31,461	44,411	24,512
5,473	13,060	26,734	11,516
—	100,271	447,705	49,148
38,871	26,092	125,050	30,891
64,469	72,228	207,760	118,861
—	33,400	108,557	60,756
28,723	29,096	56,200	39,388
332,387	60,721	139,792	63,602
—	16,019	12,170	3,000
61,121	25,400	18,097	25,608
240,166	33,125	188,703	29,639
97,965	30,014	159,506	8,863
7,787	16,625	25,940	4,785
—	9,963	4,260	. . .
—	15,605	32,698	12,759
—	120,193	162,163	215,905
25,000	140,461	254,929	397,410
—	14,877	14,838	28,385
16,914	56,772	138,425	69,912
404,896	580,738	164,339	123,773

Balance Sheet of the Workers' Credit Central (Arbeiter-Kredit-Zentrale), Warsaw, December 31st, 1925

(Zloty)

Assets			Liabilities		
Cash on Hand		15,730.09	Share Capital		25,171.12
Cash in Banks		538.65	Reserve		20,476.09
Securities		2,583.00	Sinking Fund		1,353.70
Credits Granted to Member Cooperatives:			Special Fund		10,716.79
a) Secured by Notes on Hand	11,731.04		Deposits		50,685.86
b) Secured by Notes sent to Correspondents for Collection	713.05		Debts to Banks		
c) Secured by Notes Rediscounted	33,939.38		a) Open Credits	5,046.45	
d) Credits in Current Account	61,931.68		b) Notes Rediscounted	33,939.38	38,985.83
e) Special Credits	138,267.00	246,582.15	Debts to Foundation		177,004.56
Merchandise		40,572.50	Other Liabilities		1,485.02
Furniture and Fixtures		3,715.16	Suspense Accounts		6,030.94
Other Assets		6,412.93	Collection Items		3,216.70
Organization Expenses		2,015.00			
Suspense Accounts		2,364.16			
Collection Items		3,216.70			
Loss		11,396.27			
		335,126.61			335,126.61

Profit and Loss Account, December 31st, 1925

(Zloty)

Debit		Credit	
Administrative Expenses	27,014.13	Interest and Commission Earned	21,663.64
Exchange Variance	5,530.91	Profit from Furniture and Fixtures	58.14
Depreciation of Furniture and Fixtures and Reduction of Organization Expenses	573.01	Loss	11,396.27
	33,118.05		33,118.05

Balance Sheet of the Workers' Credit Central (Arbeiter-Kredit-Zentrale), Warsaw, December 31st, 1926

(Zloty)

Assets			Liabilities	
Cash on Hand		4,192.72	Share Capital	54,006.25
Cash in Banks		13,005.53	Reserve	22,411.69
Securities		6,308.00	Sinking Fund	1,926.71
Credits Granted to Member Cooperatives:			Deposits	104,244.34
a) Secured by Notes on Hand	66,322.99		Current Accounts	90,068.87
b) Secured by Notes Sent to Correspondents for Collection	3,057.90		Debts to Banks	
c) Secured by Notes Rediscounted	32,526.23		a) Open Credits	2,233.85
d) Credits in Current Account	296,508.00		b) Notes Rediscounted	32,526.23
e) Special Credits	400,884.04		Debt to Foundation	650,178.95
f) Secured by Lien on Machines and Equipment	47,814.85		Suspense Accounts	12,620.57
g) Secured by Lien on Goods	38,117.50	885,231.51	Collection Items	9,818.99
Doubtful Debts from Cooperatives		28,043.43	Net Profit	2,267.30
Shares in Central Institutions		100.00		
Furniture and Fixtures		2,878.28		
Other Assets		19,483.13		
Organization Expenses		2,015.00		
Suspense Accounts		2,048.43		
Collection Items		18,997.72		
		982,303.75		982,303.75

Profit and Loss Account, December 31st, 1926

(Zloty)

Debit		Credit	
Administrative Expenses	31,917.68	Interest Income	57,985.18
Sundry Expenses	2,625.52	Exchange Variance	26,041.06
Interest Paid	31,931.79		
Exchange Variance	13,925.30		
Organization Expenses	885.64		
Depreciation of Furniture and Fixtures	573.01		
Net Profit	2,167.30		
	84,026.24		84,026.24

BALANCE SHEET OF THE COOPERATIVES AFFILIATED WITH THE

December 31st, 1926

ASSETS (ZLOTY)

Town	Cash on Hand	Notes Receivable	Accounts Receivable	Merchandise on Hand
A. CONSUMERS' COOPERATIVES				
Bialystok	617.45	4,221.65	15,859.69	13,035.56
Konskie	2,634.85	—	8,166.58	4,409.92
Warsaw	24,473.62	—	101,112.29	276,414.72
Wilna	45.27	—	—	6,433.03
Wloclawek	1,082.16	—	1,005.69	10,204.84
Total	28,853.35	4,221.65	126,144.25	310,498.07
B. PRODUCERS' COOPERATIVES				
"Tanner" Bialystok	6,669.65	2,120.00	12,930.10	11,450.00
„ Grodno	856.75	2,782.10	12,687.24	8,358.00
"Shoemaker" Kozienice	895.64	—	13,734.13	9,237.00
"Fuller" Krynki	255.09	2,012.80	7,411.36	14,064.84
"Tanner" Krynki	25.85	540.00	9,205.82	7,923.95
"Brushmaker" Piotrkow	—	2,622.50	1,093.25	2,751.10
"Shoemaker" Radom	2,866.17	—	3,637.51	—
"Tanner" Sokolka	416.53	5,113.00	17,726.50	31,070.69
"Fuller" Swislocz	5,273.67	12,265.79	1,877.83	1,110.00
„ Warsaw	2,537.30	—	10,090.11	—
"Bookbinder" Warsaw	226.59	—	315.00	8,855.70
"Metallurgist" Warsaw	2,716.47	4,057.83	15,760.48	32,764.39
Pruducing Dep't Wilna	811.87	1,028.00	35,117.14	14,191.21
Total	23,551.58	32,542.02	141,586.47	141,776.88
C. PUBLISHING COOPERATIVES				
"Die Welt" Warsaw	366.33	49.25	55,470.79	27,177.84
"Kulturliga" „	2,534.61	4,296.45	60,906.20	115,604.02
Total	2,900.94	4,345.70	116,376.99	142,781.86
D. RECAPITULATION				
A. Consumers' Cooperatives	28,853.35	4,221.65	126,144.25	310,498.07
B. Producers' Cooperatives	23,551.58	32,542.02	141,586.47	141,776.88
C. Publishing Cooperatives	2,900.94	4,345.70	116,376.99	142,781.86
Grand Total	55,305.87	41,109.37	384,107.71	595,056.81

WORKERS' CREDIT CENTRAL (ARBEITER-KREDIT-ZENTRALE), WARSAW

December 31st, 1926

(ZLOTY)

ASSETS

Raw Material	Shares in Central Institutions	Shares in Other Organizations	Furniture, Fixtures, Machinery and Equipment	Machinery Mortgaged	Organization Expenses	Loss	Total
—	1,822.74	646.00	4,935.71	—	—	—	41,138.80
—	351.10	176.00	1,461.07	—	—	50.02	17,249.54
—	19,907.76	6,649.36	30,329.25	—	94,932.63	10,114.68	563,934.31
—	—	—	1,112.85	—	—	811.19	8,402.34
—	1,000.00	393.57	9,345.58	—	4,979.01	—	28,010.85
—	23,081.60	7,864.93	47,184.46	—	99,911.64	10,975.89	658,735.84
—	—	—	2,162.38	—	—	831.10	36,163.23
25,951.00	2,000.00	—	7,643.50	—	—	11,877.62	72,156.21
413.80	1,284.87	—	2,589.05	—	—	553.00	28,707.49
3,355.20	2,518.43	—	1,799.72	—	—	5,449.94	36,867.38
148.00	—	—	120.60	—	—	—	17,964.22
—	279.00	—	547.50	—	150,00	—	7,443.35
501.30	—	—	625.00	—	—	—	7,629.98
—	900.00	—	106.50	—	—	—	55,333.22
4,653.84	300.00	—	2,456.85	—	—	—	27,937.98
—	2,585.00	—	3,983.72	—	3,284.37	2,919.77	25,400.27
—	827.00	—	1,307.50	27,174.85	9,844.40	—	48,551.04
—	7,000.00	—	28,567.31	20,640.00	41,813.69	—	153,320.17
3,968.97	2,189.67	1,135.00	64,914.00	—	—	—	123,355.86
38,992.11	19,883.97	1,135.00	116,823.63	47,814.85	55,092.46	21,631.43	640,830.40
—	2,400.00	100.00	52,861.53	—	—	5,187.13	143,612.87
—	7,400.24	352.00	36,560.53	38,117.50	—	18,588.19	284,359.74
—	9,800.24	452.00	89,422.06	38,117.50	—	23,775.32	427,972.61
—	23,081.60	7,864.93	47,184.46	—	99,911.64	10,975.89	658,735.84
38,992.11	19,883.97	1,135.00	116,823.63	47,814.85	55,092.46	21,631.43	640,830.40
—	9,800.24	452.00	89,422.06	38,117.50	—	23,775.32	427,972.61
38,992.11	52,765.81	9,451.93	253,430.15	85,932.35	155,004.10	56,382.64	1,727,538.85

BALANCE SHEET OF THE COOPERATIVES AFFILIATED WITH THE

December 31st, 1926

LIABILITIES (ZLOTY)

Town	Share Capital	Reserve	Sinking Fund
A. CONSUMERS' COOPERATIVES			
Bialystok	1,814.25	—	—
Konskie	67.45	2,086.77	—
Warsaw	7,480.09	—	—
Wilna	—	—	—
Wloclawek	825,76	—	—
Total	10,187.55	2,086.77	—
B. PRODUCERS' COOPERATIVES			
"Tanner" Bialystok	7,570.20	—	—
„ Grodno	8,761.50	—	—
"Shoemaker" Kozienice	3,993.30	230.00	—
"Fuller" Krynki	16,404.00	—	—
"Tanner" Krynki	5,436.00	—	—
"Brushmaker" Piotrkow	1,157.50	—	—
"Shoemaker" Radom	2,474.68	—	200.00
"Tanner" Sokolka	14,378.00	253.75	—
"Fuller" Swislocz	19,728.83	—	—
„ Warsaw	5,644.13	709.31	—
„Bookbinder" Warsaw	4,988.00	—	—
"Metallurgist" Warsaw	10,693.97	—	—
Producing Dep't Wilna	2,877.00	3,132.57	—
Total	104,107.11	4,325.63	200.00
C. PUBLISHING COOPERATIVES			
"Die Welt" Warsaw	8,400.00	8,585.23	7,861.53
"Kulturliga" Warsaw	5,750.00	—	13,050.18
Total	14,150.00	8,585.23	20,911.71
D. RECAPITULATION			
A. Consumers' Cooperatives	10,187.55	2,086.77	—
B. Producers' Cooperatives	104,107.11	4,325.63	200.00
C. Publishing Cooperatives	14,150.00	8,585.23	20,911.71
Grand Total	128,444.66	14,997.63	21,111.71

WORKERS' CREDIT CENTRAL (ARBEITER-KREDIT-ZENTRALE), WARSAW

December 31st, 1926

(ZLOTY) LIABILITIES

Special Funds	Notes Payable	Accounts Payable	Credits from W. C. C.	Net Profit	Total
9,866.78	5,882.00	11,358.15	10,095.89	2,121.73	41,138.80
—	13,887.05	1,208.27	—	—	17,249.54
11,953.50	170,849.78	76,864.63	296,786.31	—	563,934.31
—	677.25	7,725.09	—	—	8,402.34
4,594.11	4,002.81	3.638.97	14,808.60	140.60	28,010.85
26,414.39	195,298.89	100,795.11	321,690.80	2.262.33	658,735.84
—	—	8,920.26	19,672.77	—	36,163.23
—	5,136.18	28,673.79	29,584.74	—	72,156.21
—	6,559.00	14,837.00	3,088.19	—	28,707.49
160.00	11,445.00	8,858.38	—	—	36,867.38
—	—	325.00	11,948.04	255.18	17,964.22
—	—	1,001.92	5,000.00	283.93	7,443.35
—	4,510.00	215.63	—	229.67	7,629.98
—	6,268.42	14,162.45	18,342.55	1,928.05	55,333.22
—	—	1,391.12	—	6,818.03	27,937.98
—	—	—	19,046.83	—	25,400.27
—	3,428.11	—	38,401.91	1,733.02	48,551.04
750.00	2,687.50	17,049.95	122,138.75	—	153,320.17
56,737.04	9,932.66	29,145.57	21,246.25	284.77	123,355.86
57,647.04	49,966.87	124,581.07	288,470.03	11,532.65	640,830.40
3,469.35	17,133.78	85,413.22	12,749.76	—	143,612.87
40,239.04	49,335.99	52,612.55	123,371.98	—	284,359.74
43,708.39	66,469.77	138,025.77	136,121.74	—	427,972.61
26,414.39	195,298.89	100,795.11	321,690.80	2,262.33	658,735.84
57,647.04	49,966.87	120,581.07	288,470.03	11,532.65	640,830.40
43,708.39	66,469.77	138,025.77	136,121.74	—	427,972.61
127,769.82	311,735.53	363,401.95	746,282.57	13,794.98	1,727,538.85

Balance Sheet of the Workers' Economic Credit Union (Kreditwirtschaftliche Arbeiter-Vereinigung), Warsaw, December 31st, 1925.

(Zloty)

Assets		Liabilities	
Cash on Hand	2,247.13	Share Capital	10,275.50
Cash in Banks	105.82	Reserve	4,585.90
Credits Granted to Member Cooperatives	59,055.74	Special Fund	6,504.10
Accounts Receivable	3,962.70	Debt to Bank dla Spóldzielni	670.65
Merchandize	6,408.80	Debt to Foundation	50,915.13
Furniture and Fixtures	1,074.12	Reserve for Taxes	856.39
Expenses for Education and Propaganda	652.27	Suspense Accounts	71.21
Loss	670.30	Collection Items	298.00
	74,176.88		74,176.88

Profit and Loss Account, December 31st, 1925.

(Zloty)

Debit		Credit	
Administrative Expenses	11,431.11	Interest Income	6,028.54
Depreciation of Furniture and Fixtures	119.35	Commissions Earned	4,051.52
		Profit from Sale of Merchandize	800.20
		Loss	670.30
	11,550.46		11,550.46

Balance Sheet of the Workers' Economic Credit Union (Kreditwirtschaftliche Arbeiter-Vereinigung), Warsaw, December 31st, 1926.

(Zloty)

Assets			Liabilities	
Cash on Hand		172.57	Share Capital	14,436.72
Cash in Banks		3,921.55	Reserves	7,276.47
Credits Granted to Member Cooperatives:			Special Fund	5,833.80
a) Credits Secured by Promissory Notes	171,744.85		Deposits	160.59
Notes Discounted	7,910.00	179,654.85	Notes Payable	2,000.00
Other Outstanding Credits		8,336.18	Debt to Foundation	171,206.00
Accounts Receivable		3,362.70	Reserve for Taxes	461.17
Merchandize		2,566.70	Net Profit	1,387.80
Shares in Central Institutions		100.00		
Furniture and Fixtures		967.00		
Deferred Expenses		698.00		
Expenses for Education and Propaganda		653.00		
Suspense Accounts		2,330.00		
		202,762.55		202,762.55

Profit and Loss Account, December 31st, 1926.

(Zloty)

Debit		Credit	
Administrative Expenses	10,756.72	Interest Income	10,139.89
Sundry Expenses	7.85	Exchange Variance	3,376.59
Loss from Sale of Merchandize	274.75	Sundry Earnings	0.83
Organization Expenses	933.07		
Depreciation of Furniture and Fixtures	107.12		
Subsidies	50.00		
Net Profit	1,387.80		
	13,517.31		13,517.31

BALANCE SHEET OF THE COOPERATIVES AFFILIATED (KREDIT-WIRTSCHAFTLICHE

December 31st, 1926

ASSETS (ZLOTY)

Town	Cash on Hand	Notes Receivable	Accounts Receivable
A. CONSUMERS' COOPERATIVES			
Brest	254.88	—	1,622.97
Czestochowa	3.63	—	—
Kolo	712.48	—	—
Lodz	3,724.91	—	6,972.17
Warsaw	2,314.50	183.00	9,911.11
Wloclawek	19.84	—	3,250.65
Total	7,030.24	183.00	21,756.90
B. PRODUCERS' COOPERATIVES			
"Shoemaker" Lomza	440.05	61.00	1,135.64
"Tailor" Pinsk	452.00	—	327.25
"Shoemaker" Pulawy	183.77	70.00	170.50
„ Radom	1,784.84	381.00	438.60
„ Siedlce	163.75	700.00	1,055.85
"Cabinetmaker" Wegrow	4.36	—	529.00
"Brushmaker" Warsaw	3.94	37.00	3,042.19
Total	3,032.71	1,249.00	6,699.03
C. PUBLISHING COOPERATIVES			
"Nowa Kultura" Warsaw	107.47	778.25	19,978.40
D. RECAPITULATION			
A. Consumers' Cooperatives	7,030.24	183.00	21,756.90
B. Producers' Cooperatives	3,032.71	1,249.00	6,699.03
C. Publishing Cooperatives	107.47	778.25	19,978.40
Grand Total	10,170.42	2,210.25	48,434.33

WITH THE WORKERS' ECONOMIC CREDIT UNION
ARBEITERVEREINIGUNG), WARSAW

December 31st, 1926

(ZŁOTY)

ASSETS

Merchandise on Hand	Raw Material	Shares in Central Institutions	Furniture, Fixtures, Machinery and Equipment	Library	Organization Expenses	Loss	Total
3,904.20	—	200.00	1,495.11	—	2,101.30	166.65	9,745.11
—	—	2,034.62	3,224.43	—	—	34,490.37	39,753.05
3,349.08	—	577.76	1,454.75	1,200.50	—	206.51	9,501.08
29,896.11	—	2,378.52	5,457.53	—	2,000.00	2,578.39	54,607.63
27,400.75	—	3,340.02	10,732.68	—	3,600.00	1,748.75	67,415.41
2,232.31	—	437.80	371.56	2,000.00	11,784.60	266.36	9,578.52
67,782.45	—	8,968.72	22,736.06	3,200.50	19,485.90	39,457.03	190,600.80
5,631.50	100.00	900.00	1,085.52	—	2,884.80	1,829.23	14,067.74
—	—	270.00	452.45	—	1,400.00	—	2,901.70
2,895.80	—	450.00	1,445.45	—	—	250.21	5,465.73
3,968.53	180.00	495.00	324.30	—	—	—	7,572.27
382.31	—	374.00	1,226.15	—	1,300.00	94.85	5,296.91
1,300.00	3,435.00	180.00	531.58	—	—	—	5,979.94
3,576.30	2,267.90	765.00	607.00	—	1,858.00	452.77	12,610.10
17,754.44	5,982.90	3,434.00	5,672.45	—	7,442.80	2,627.06	53,894.39
7,691.35	—	1,800.00	10,375.00	—	—	—	40,730.47
67,782.45	—	8,968.72	22,736.06	3,200.50	19,485.90	39,457.03	190,600.80
17,754.44	5,982.90	3,434.00	5,672.45	—	7,442.80	2,627.06	53,894.39
7,691.35	—	1,800.00	10,375.00	—	—	—	40,730.47
93,228.24	5,982.90	14,202.72	38,783.51	3,200.50	26,928.70	42,084.09	285,225.66

BALANCE SHEET OF THE COOPERATIVES AFFILIATED (KREDIT-WIRTSCHAFTLICHE

December 31st, 1926

LIABILITIES (ZLOTY)

Town	Share Capital	Reserve	Special Funds
A. CONSUMERS' COOPERATIVES			
Brest	174.00	—	—
Czestochowa	1,068.49	2,291.12	1,152.87
Kolo	613.00	—	613.97
Lodz	1,292.59	5,231.94	—
Warsaw	3,894.51	—	588.34
Wloclawek	230.30	—	103.16
Total	7,272.89	7,523.06	2,458.34
B. PRODUCERS' COOPERATIVES			
"Shoemaker" Lomza	394.00	—	—
"Tailor" Pinsk	237.00	—	—
"Shoemaker" Pulawy	580.00	—	—
,, Radom	1,360.36	—	—
,, Siedlce	450.00	—	—
"Cabinetmaker" Wegrow	1,300.00	—	—
"Brushmaker" Warsaw	412.00	—	—
Total	4,733.36	—	—
C. PUBLISHING COOPERATIVES			
"Nowa Kultura" Warsaw	8,900.00	3,086.04	—
D. RECAPITULATION			
A. Consumers' Cooperatives	7,272.89	7,523.06	2,458.34
B. Producers' Cooperatives	4,733.36	—	—
C. Publishing Cooperatives	8,900.00	3,086.04	—
Grand Total	20,906.25	10,609.10	2,458.34

WITH THE WORKERS' ECONOMIC CREDIT UNION
ARBEITERVEREINIGUNG), WARSAW.

December 31st, 1926
(ZLOTY)

LIABILITIES

Notes Payable	Accounts Payable	Credits from W. E. C. U.	Suspense Accounts	Net Profit	Total
1,694.33	736.25	7,137.65	2.88	—	9,745.11
20,210.83	2,963.94	12,065.80	—	—	39,753.05
—	1,129.59	7,144.52	—	—	9,501.08
20,151.78	523.09	25,840.15	1,568.08	—	54,607.63
23,564.21	11,338.45	27,632.48	397.42	—	67,415.41
—	548.92	8,696.14	—	—	9,578.52
65,621.15	17,240.24	88,516.74	1,968.38	—	190,600.80
3,898.00	775.74	9,000.00	—	—	14,067.74
—	—	2,434.50	—	230.20	2,901.70
—	664.76	4,220.97	—	—	5,465.73
1,678.60	69.78	4,463.53	—	—	7,572.27
300.00	378.91	4,168.00	—	—	5,296.91
360.00	2,625.60	1,552.25	—	142.09	5,979.94
440.10	398.70	11,359.30	—	—	12,610.10
6,676.70	4,913.49	37,198.55	—	372.29	53,894.39
1,020.00	5,433.84	21,149.17	—	1,142.42	40,730.47
65,621.15	17,240.24	88,516.74	1,968.38	—	190,600.80
6,676.70	4,913.49	37,198.55	—	372.29	53,894.39
1,020.00	5,433.84	21,149.17	—	1,142.42	40,730.47
73,317.85	27,587.57	146,864.46	1,968.38	1,514.71	285,225.66

Balance Sheet of the Cooperative "Surwyt", Warsaw, December 31st, 1926

(Zloty)

Assets		Liabilities	
Cash in Banks	14,612.99	Share Capital	7,680.91
Notes Receivable	1,584.50	Notes Payable	7,200.00
Accounts Receivable	82,365.34	Accounts Payable	87,532.84
Branch Store	18,366.77	Credits from Postal Savings Bank	50,000.00
Merchandise on Hand	118,128.63	Credits from Bank dla Spóldzielni	90,000.00
Shares of Bank dla Spóldzielni and Artisans' Bank	1,400.00	Net Profit	6,065.16
Furniture and Fixtures	3,525.90		
Organization Expenses	4,857.10		
Suspense Account	3,637.68		
	248,478.91		248,478.91

Profit and Loss Account, December 31st, 1926

(Zloty)

Debit		Credit	
Administrative Expenses	29,929.33	Profit from Sales	40,313.82
Taxes Paid	2,739.98	Sales Discounts	4,443.28
Interest and Commissions Paid	6,963.06	Exchange Variance	930.43
Net Profit	6,065.16	Admission Fees	10.00
	45,697.53		45,697.53

Balance Sheet of the Bank dla Spółdzielni, Warsaw, December 31st, 1925

(Zloty)

Assets			Liabilities		
Cash on Hand		67,331.13	Capital Stock		135,501.30
Foreign Currency on Hand		67,988.85	General Reserve		25,000.00
Cash in Banks		78,222.50	Special Reserve		489,498.70
Securities		100,003.30	Deposits*		3,117,257.03
Notes Receivable			Notes Rediscounted		72,675.79
a) On Hand	1,170,552.82		Correspondents "Loro"		103,472.81
b) With Correspondents	69,563.52		Correspondents "Nostro"		
c) Rediscounted	72,675.79	1,312,792.13	a) Domestic	261,584 39	
Notes Protested		17,887.11	b) Foreign	11 905 17	273,489.56
Mortgage Loans Outstanding		1,679,365.75	Cooperative Fund		20,000.00
Credits in Current Account		89,451.69	Suspense Account		195,872.85
Correspondents "Loro"		412,992.94	Net Profit		50,524.31
Correspondents "Nostro"					4,483,292.35
a) Domestic	301.61		Collection Items		645,305.95
b) Foreign	447,993.86	448,295.47			
Real Estate		50,000.00			
Furniture and Fixtures		9,258.40			
Suspense Account		149,703.08			
	Total	4,483,292.35			
Documents for Collection					
a) On Hand	290,940.27				
b) With Correspondents	354,365.68	645,305.95			
		5,128,598.30			5,128,598.30

* Include credits received from Foundation.

Profit and Loss Account, December 31st, 1925

(Zloty)

Debit		Credit	
Administrative Expenses (including Housing Reconstruction Departement)	492,251.59	Interest Income	268,978.28
Bad Debts Written Off	10,319.87	Commissions Earned	285,146.19
Depreciation of Furniture and Fixtures	1,028.70		
Net Profit	50,524.31		
	554,124 47		554,124.47

Balance Sheet of the Bank dla Spółdzielni, Warsaw, December 31st, 1926.

(Zloty)

Assets			Liabilities		
Cash on Hand		105,878.84	Capital Stock		500,000.00
Foreign Currency on Hand		182,529.84	General Reserve		155,100.00
Cash in Banks		253,963.69	Special Reserve		700,000.00
Securities		184,596.25	Time Deposits*		6,411,460.84
Notes Receivable			Current Accounts		1,302,991.61
a) On Hand	4,763,407.29		Notes Rediscounted		374,204.73
b) With Correspondents	859,635.34		Correspondents "Loro"		595,641.56
c) Rediscounted	374,204.73	5,997,247.36	Correspondents "Nostro"		
Notes Protested		5,057.97	a) Domestic	473,000.00	
Mortgage Loans Outstanding		1,768,960.19	b) Foreign	45,048.82	518,048.82
Credits in Current Account		275,599.71	Pension Fund		45,000.00
Correspondents "Loro"		1,008,991.20	Suspense Account		420,998.37
Correspondents "Nostro"			Net Profit		69,974.90
a) Domestic	25.36				11,093,420.83
b) Foreign	1,082,242.86	1,082,268.22	Collection Items		1,675,901.04
Real Estate		50,000.00			
Furniture and Fixtures		20,825.02			
Suspense Account		157,502.54			
		11,093,420.83			
Documents for Collection					
a) On Hand	905,324.76				
b) With Correspondents	770,576.28	1,675,901.04			
		12,769,321.87			12,769,321.87

*Include credits received from Foundation.

Profit and Loss Account, December 31st, 1926.

(Zloty)

Debit		Credit	
Administrative Expenses	841,218.01	Interest Income	442,519.69
Bad Debts Written Off	4,647.52	Commissions Earned	475,634.64
Depreciation of Furniture and Fixtures	2,313.90		
Net Profit	69,974.90		
	918,154.33		918,154.33

Balance Sheet of the Central People's Bank, Wilna, December 31st, 1925

(Zloty)

Assets		Liabilities	
Cash on Hand	54,893.41	Share Capital	41,738.63
Cash in Banks	873.98	Reserves	23,062.49
Securities	2,370.60	Deposits and Current Accounts	289,520.02
Loans Outstanding	52,791.92	Credits Received	228,500.37
Notes Discounted	485,852.83	Notes Rediscounted	54,332.00
Other Credits	35,961.78	Other Debts	9,521.01
Shares in Other Institutions	9,111.90	Items for Collection	299,226.09
Furniture and Fixtures	16,875.76	Net Profit	609.24
Items for Collection	287,774.67		
	946,509.85		946,509.85

Profit and Loss Account, December 31st, 1926

(Zloty)

Debit		Credit	
Administrative Expenses	117,052.94	Interest Income	75,674.64
Interest and Commissions Paid	23,685.85	Commissions Earned	62,105.44
Bad Debts Written Off	4,357.48	Exchange Variance	18,178.15
Miscellaneous	10,252.72		
Net Profit	609.24		
	155,958.23		155,958.23

Balance Sheet of the Central People's Bank, Wilna, December 31st, 1926

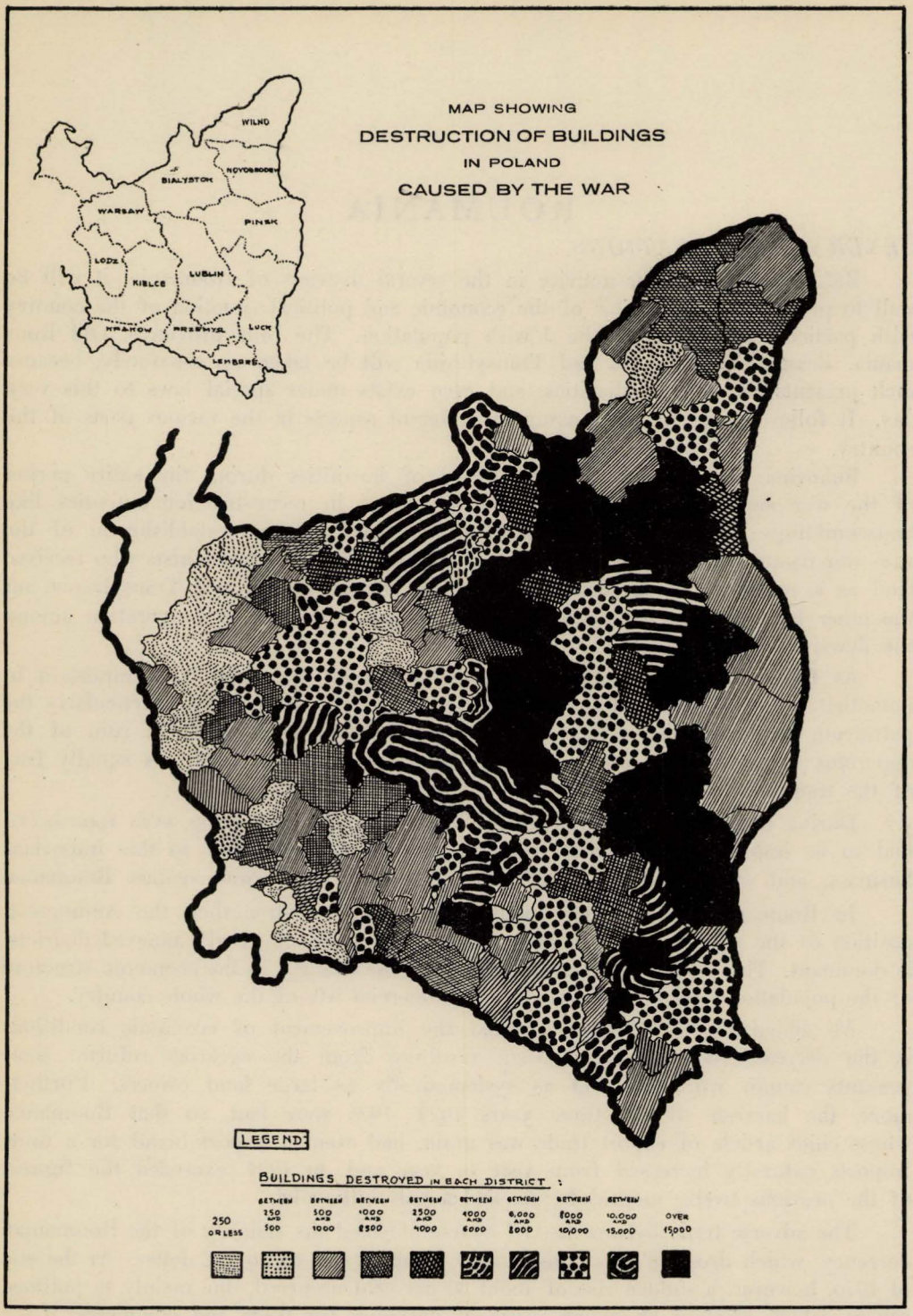
(Zloty)

Assets		Liabilities	
Cash, Foreign Currency and Gold Coins on Hand	34,972.25	Share Capital	68,644.73
Cash in Banks	8,798.13	Reserves and Special Funds	23,671.73
Short Term Loans Outstanding	107,740.50	Deposits and Current Accounts	
Notes Discounted	994,198.73	a) In Zloty 89,016.62	
Correspondents "Loro"	2,622.41	b) In Foreign Currency 508,211.62	
Correspondents "Nostro"	45,531.85	c) In Gold Coins . . 2,412.97	599,641.21
„ "Nostro"-Foreign Currency Accounts	81,907.50	ICA, Paris	28,330.00
Furniture and Fixtures	21,507.51	Credits Received from Bank dla Spóldzielni	504,441.00
Advances to Personnel	10,542.30	Notes Rediscounted	131,956.07
Expenses Subject to Refund	11,351.58	Correspondents "Nostro"	49,000.16
Suspense Account	11,569.59	„ "Nostro"-Foreign Currency Accounts	104,606.48
Documents for Collection		Branch Office, Bialystok	3,027.57
a) On Hand 489,478.13		Taxes Payable	1,783.26
b) With Correspondents 292,974.17	782,452.30	Collection Items	627,839.01
		Net Profit	800.43
	2,143,741.65		2,143,741.65

Profit and Loss Account, December 31st, 1926

(Zloty)

Debit		Credit	
Administrative Expenses	134,583.23	Interest Income	146,133.24
Interest Paid	54,291.20	Commissions Earned	54,555.66
Exchange Variance	14,264.34	Branch Office, Bialystok	3,250.30
Net Profit	800.43		
	203,939.20		203,939.20


MAP SHOWING
DESTRUCTION OF BUILDINGS
IN POLAND
CAUSED BY THE WAR
WILNO
NOVOGRODEK
BIALYSTOK
WARSAW
PINSK
LODZ
KIELCE
LUBLIN
KRAKOW
PRZEMYSL
LUCK
LEMBERG
LEGEND:
BUILDINGS DESTROYED IN EACH DISTRICT
250 OR LESS
BETWEEN 250 AND 500
BETWEEN 500 AND 1000
BETWEEN 1000 AND 2500
BETWEEN 2500 AND 4000
BETWEEN 4000 AND 6000
BETWEEN 6,000 AND 8000
BETWEEN 8000 AND 10,000
BETWEEN 10,000 AND 15,000
OVER 15,000

ROUMANIA

GENERAL OBSERVATIONS.

Before discussing our activity in the several districts of Roumania, it will be well to present a general view of the economic and political situation of the country with particular reference to the Jewish population. The four provinces, Old Roumania, Bessarabia, Bukovina and Transylvania will be taken up separately, because each presents its own peculiarities, and even exists under special laws to this very day. It follows that our work assumed different aspects in the various parts of the country.

Bukovina, for instance, was the scene of hostilities during the entire period of the war and there the J. D. C. had to engage in reconstruction activities like housebuilding. In Bessarabia it had to devote itself to the reestablishment of the pre- war cooperatives and to the problem of some 5,000 Jewish colonists who received land as a result of the agrarian reforms. In Old Roumania and Transylvania, on the other hand, it was necessary first to popularize the idea of cooperation among the Jews.

As far as the general situation in Roumania is concerned, it is important to note that the war destroyed many of the industries of the country, particularly the petroleum industry. The retreat of the Roumanian army caused the ruin of the apparatus of production, which it had taken years to erect. This was equally true of the transportation system.

During the first two years after the war, therefore, everything, even foodstuffs, had to be imported. The entire urban population adapted itself to this important business, and even as late as 1925 the balance of trade was against Roumania.

In Roumania, as in other countries, the aim to strengthen the commercial position of the state in every possible way, especially in the newly annexed districts, is dominant. This policy has naturally caused some changes in the economic structure of the population, and even affected the commercial life of the whole country.

An added factor militating against the improvement of economic conditions is the decrease of grain production, resulting from the agrarian reform, since peasants cannot work the soil as systematically as large land owners. Furthermore, the harvests of the three years 1923—1925 were bad, so that Roumania, whose chief article of export trade was grain, had even to import bread for a time. Imports naturally increased from year to year and in 1924 exceeded the figures of the previous twelve months by six and a half billion lei.

The adverse trade balance has of course affected the stability of the Roumanian currency which dropped very considerably-to about 250 lei to the dollar. At the end of 1926, however, a sudden rise of about 30 per cent occurred, due mainly to political causes, which brought on a new crisis of deflation for trade and commerce.

The unsatisfactory situation of the country affected Jewish economic life adversely. The Jewish population, which to a large extent was crowded in the towns and heavily engaged in foreign trade, naturally suffered from the conditions described above. In addition, the political situation of the Jews in Roumania was unfavorable — indeed, about 100,000 Jews have not yet been able to obtain Roumanian citizenship — and they therefore underwent certain limitations and difficulties in their business.

Furthermore, important Jewish banks and business houses can obtain credits from the State Bank only with great difficulty.

OLD ROUMANIA

At the same time as it was seeking to reestablish the Jewish cooperative system in Bessarabia and to organize a Reconstruction Department in Bukovina, the J. D. C. attempted to set up cooperatives and people's banks, particularly in Moldavia, where the Jews constituted 40 to 50 per cent of the urban population.

The economic position of the Jews in Old Roumania during the years immediately preceding the war was not bad. For two years after the Armistice, too, it appeared as if economic and political conditions would improve. Nevertheless, the economic situation of the Jews became even worse than that of the country as a whole, particularly in Moldavia.

During the war Moldavia suffered grievously, despite the fact that it was not always actually a scene of war. After the German occupation of Wallachia, the Roumanians concentrated in Moldavia, where, from 1916 to 1918, the government, with its many officials, and countless refugees quartered themselves. The cities were over-crowded and suffered from the permanent garrisons. Many towns were completely destroyed and looted.

As in other countries, a large part of the Jews in Old Roumania were engaged in trade, especially in the grain trade. As early as 1906, after the famous uprising of the peasants, the government took the initiative and organized cooperatives and people's banks in every village, which often practically took the place of the Jew as intermediary between the peasant and the grain exporter. One of the chief sources of Jewish income was thus transferred to these new institutions, which give the peasants advances in money, machines, agricultural equipment, seed, etc. The harvest is gathered and exported by the cooperative central organization and every effort is made to avoid the necessity of calling on intermediary service.

The situation of the Jewish artisan is likewise extremely difficult. Ten or fifteen years ago the handicrafts in Roumania were largely in Jewish hands. There were trades, such as tailoring and shoemaking, in which 90 per cent of the people employed were Jews. But during the last two decades the Roumanian government has founded numerous technical and professional schools, and these now dot the whole countryside. These schools, however, allow no more than 25 per cent of their pupils to be Jews. The result is that a Jewish artisan, who generally has no real training, is now usually inferior to his gentile competitors. In Old Roumania there are only four or five Jewish trade schools and most of these teach sewing to girls. On all sides one

notices that even Jewish masters prefer employing non-Jewish apprentices and workers because of the latter's superior training.

In 1920—1921, when the general relief work of the J. D. C. was discontinued, attempts were made to assist the Jewish population of Old Roumania as well as of the newer provinces by the organization of cooperatives. Unfortunately, all these efforts were fruitless, because the Jewish leaders in Old Roumania could not be aroused to take an interest in the problem.

When the Foundation was established it determined to repeat the attempts in Roumania, for, although the Reconstruction Department of the J. D. C. had not fully succeeded in winning over the prominent personalities with whom it had negotiated, we were convinced that the people themselves would do everything in their power to improve the condition of the Jewish merchant and artisan, whose lot was growing worse each year.

Towards the end of 1924 a group of leaders was formed in Bucharest, who were to devote themselves to organizing cooperatives in Bucharest and Jassy, the two chief centres of Jewish life. After many difficulties a commission of three leaders of Roumanian Jewry was formed, which called itself the Central Committee for the Supervision and Inspection of the Jewish Cooperatives in Old Roumania. This committee took upon itself the task of establishing contact between the Foundation and the cooperatives of the country, and of acting as an organ of propaganda and control. The Foundation assists the committee in carrying out these functions by granting occasional subventions.

The two cooperatives in Bucharest and Jassy commenced their activities at the beginning of 1925. During the year five more cooperatives were organized and three were in process of organization, so that by the end of 1925 Old Roumania could boast of ten cooperatives. Furthermore, four new cooperative kassas were founded during 1926, making a total of fourteen.

The rapid development of the cooperatives is truly remarkable. Their success may be attributed to the persons who manage them as well as to our own representatives, who are largely responsible for their progress in technique. And it must be remembered that under present economic and political conditions in Old Roumania, the cooperatives meant nothing less than salvation, especially to the small grain merchant.

The progress of the cooperatives may be seen from the following figures:

On December 31st, 1925, the membership of the six cooperatives which were already operating was 5,750, divided by calling as follows:

	Number	Per Cent
Artisans	3,059	53.2
Merchants	1,794	31.2
Miscellaneous	897	15.6

On December 31st, 1926, the fourteen cooperatives had a total membership of 10,575.00, composed as follows:

	Number	Per Cent
Artisans	4,581	43.3
Merchants	3,324	31.4
Miscellaneous	2,670	25.3

On December 31st, 1925, the following items appeared on the balance sheets of six cooperatives:

	Lei	Dollars
Share Capital	2,989,384	$13,904
Reserves	186,445	867
Deposits & Current Accounts .	3,412,000	15,870
Total Local & Own Funds . .	6,587,829	30,641
Foundation Credits	5,415,335	25,188

The principal items of the balance sheets of fourteen cooperatives on December 31st, 1926, were:

	Lei	Dollars
Share Capital	9,727,522.00	$51,197.48
Reserves	923,690.01	4,861.53
Deposits & Current Accounts	20,797,065.75	109,458.24
Net Profit 9 Cooperatives . .	774,302.32	4,075.28
Total Local & Own Funds . .	32,222,580.08	169,592.53
Foundation Credits	10,136,829.00	53,351.73

The average share capital per member rose from $2.36 in 1925 to $4.84 at the end of 1926.

During the year 1926, 13,393 loans, totalling 111,743,907 lei were granted. At the end of 1926 the outstanding loans of the fourteen credit cooperatives amounted to 30,074,937 lei ($158,289.14).

The average per capita capital raised locally amounted on December 31st, 1925, to $5.21, and on December 31st, 1926, to $16.04, as compared to a per capita credit by the Foundation of $4.38 on December 31st, 1925, and $5.05 on December 31st, 1926. The total money loaned to the kassas up to the end of 1925 was 5,415,335 lei, or $25,188.

It is worthy of note that the Central Committee often received requests for aid from Jewish cooperatives, particularly in Moldavia; although the spirit of cooperation was previously unknown among the Jews of Old Roumania, the success of the past has convinced them that the Jewish cooperatives offer the only possibility of helping the merchant and artisan.

As stated above, Roumania is now passing through a very severe economic crisis. The need of capital is steadily increasing and is accompanied by dangerous consequences. First class firms are obliged to pay up to 3 or 4 per cent interest *per month* in order to obtain necessary credits. Middle class merchants pay 5 per cent interest per month, and even more. They are absolutely in the hands of usurers. The chances of earning a livelihood are becoming worse from day to day, and the cost of living is at the same time mounting. An important factor in this respect was the rise in the value of the Roumanian currency, which went up about 30 per cent during the last month of 1926. As in Poland and other countries of Eastern Europe, the policy of the public financial institutions, the State Bank and the "Creditul Industrial", which was founded by the State Bank, is extraordinarily stringent regarding the question of credit for manufacture and trade. The attitude of these banks towards Jewish enterprises is well known.

Under these circumstances the cooperative movement among the Jews of Roumania takes on an added importance. To all intents and purposes only the Jewish credit cooperative kassas give to the middle class Jews, especially the merchants and small manufacturers, the possibility of receiving credits and thus continuing in business. The so-called Central Committee for the Supervision and Inspection of the Cooperatives in Old Roumania was not able to meet all the demands which arose from the increase in the number of Jewish cooperative kassas and the spread of the cooperative idea among the Jewish population. After a meeting of the kassas in Old Roumania in 1926, the Association of Jewish Cooperative Kassas in Old Roumania was finally established. This Association will become the supreme organ of inspection and revision, and will also become the connecting institution between the Foundation and the individual kassas, similar to the Association of Jewish Cooperative Kassas in Bessarabia. This central organization will probably take the form of a clearing house for the individual kassas, which are even to-day strongly connected by banking transactions, remittances and collection operations. We must recognize the importance of this legally registered organization, which will become a strong representative body of the movement as a whole, as well as of the individual kassas, and prevent any dangers from entering.

As mentioned above, the business ties between the kassas are very strong. In this respect we have to add that some cooperatives, Bucharest, Harlau and Roman, which carry very substanial deposits, have already begun to grant short-term loans to other kassas still needing credits to the extent of 1,500.000 lei. While we appreciate the financial power and the attitude of the older and stronger kassas in helping the younger and weaker ones, there is no doubt that the principle of one central organization granting credits to the individual kassas is preferable. Measures which the central organization might take against any individual kassa could otherwise be nullified.

With the existence of a central organization which likewise serves as a clearing house, capital which is temporarily not used will naturally have to be transferred to it, and it will have control of its disposition.

These are briefly the reasons which caused the Foundation to agree to the establishment of such a central organization, with the proviso that for the time being no banking operations with private clientele will take place, but that the central organization will serve as a clearing house for the cooperative kassas only, and will continue the work of controlling and inspecting them.

In order to give this new central organization a fair start, we granted a subvention to cover the budget for the first six months. The leading personalities of Roumanian Jewry, who are at the head of this central organization, guarantee, to a large extent, a productive and careful activity of the Jewish cooperative movement in Old Roumania. As already mentioned, and as may be seen from the figures given above, the development of the kassas in Old Roumania is very satisfactory. We are of the opinion that, since the movement is progressing splendidly and on such a sound basis, we have to be very careful with regard to our further work, especially under the present political and economic conditions. A period of consolidation will certainly be of use to the movement. It is for this reason that the Foundation will probably grant new credits for the consolidation of the already existing kassas, and especially for those which were founded in 1926.

TABLE

BALANCE SHEET OF THE 14 CREDIT

December 31st, 1926

ASSETS (LEI)

	Cash on Hand	Cash in Banks	Securities	Loans Outstanding	Furniture and Fixtures
Bacau	108,879.75	325,465.00	—	773,790.00	42,050.00
Barlad	20,966.00	110,100.00	—	697,768.00	26,658.00
Botosani	84,185.00	271,770.00	—	3,873,129.00	50,617.00
Bucarest	228,202.00	1,278,300.00	—	12,705,059.00	100,000.00
Dorohoiu	212,958.00	183,433.00	—	3,243,377.00	36,855.00
Galati	128,915.00	80,200.00	—	3,579,812.00	56,762.00
Harlau	325,076.00	275,000.00	—	1,652,012.00	54,270.00
Husi	108,015.75	—	—	348,361.00	—
Jasi	139,592.00	117,600.00	3,000.00	5,891,878.00	57,558.00
Moinesti	3,187.00	—	—	566,272.00	—
Piatra-Neamt	29,443.50	38,980.00	—	1,021,525.00	12,240.00
Roman	39,208.00	108,772.00	—	1,842,539.00	29,400.00
Tecuci	14,442.00	117,762.00	—	322,010.00	14,828.00
Vaslui	74,359.75	—	—	557,405.00	23,188.00
Total	1,517,429.75	2,907,382.00	3,000.00	30,074,937.00	504,426.00

LIABILITIES

	Share Capital	Reserves	Deposits and Current Accounts	Foundation Credits	Other Liabilities
Bacau	558,160.00	—	267,343.00	—	—
Barlad	175,750.00	9,724.00	274,177.00	463,800.00	—
Botosani	877,500.00	81,526.00	2,302,110.00	924,195.00	—
Bucarest	3,824,658.00	545,894.00	8,406,055.00	1,853,575.00	—
Dorohoiu	637,728.00	44,687.00	2,318,113.00	548,250.00	—
Galati	844,160.00	—	1,229,530.00	1,766,402.00	9,962.00
Harlau	391,570.00	39,406.00	1,425,185.00	452,145.00	60,160.00
Husi	122,000.00	1,837.00	143,892.75	194,291.00	2,362.00
Jasi	1,113,591.00	132,807.00	2,601,357.00	2,266,482.00	—
Moinesti	116,920.00	—	302,428.00	141,063.00	—
Piatra-Neamt	343,200.00	32,116.01	263,094.25	502,855.00	—
Roman	452,335.00	26,023.00	780,212.00	672,500.00	21,534.00
Tecuci	105,150.00	4,358.00	191,211.00	231,271.00	—
Vaslui	164,800.00	5,312.00	292,357.75	120,000.00	—
Total	9,727,522.00	923,690.01	20,797,065.75	10,136,829.00	94,018.00

COOPERATIVES IN OLD ROUMANIA

December 31st, 1926

(L E I)

ASSETS

Other Assets	Suspense Accounts	Documents for Collection	Deferred Expenses	Expenses (of 2 Cooperatives)	Loss	Total
419,147.00	1,035,201.00	—	35,000.00	90.946.25	—	2,830,479.00
—	34,262.00	—	11,963.00	—	37,447.00	939,164.00
—	129,677.00	—	34,019.00	—	—	4,443,397.00
905,081.00	94,138.00	754,695.00	—	—	—	16,065,475.00
—	3,664.00	187,493.00	18,000.00	—	—	3,885,780 00
25,000.00	75,625.00	—	127,012.00	—	—	4,073,326.00
181,006.00	—	—	—	—	—	2,487,364.00
—	4,600.00	55,845.00	18,853.65	—	—	535,675.40
—	216,321.00	—	101,885.00	—	—	6,527.834.00
—	—	—	23,928.00	—	—	593,387.00
12,775.00	14,585.00	39,577.00	47,659.08	—	—	1,216,784.58
54,971.00	—	—	11,315.00	—	—	2,086,205.00
—	17,940.00	—	21,943.00	—	34,485.00	543,410.00
—	—	34,561.00	5,223.00	7,748.00	—	702,484.75
1,597,980.00	1,626,013.00	1,072,171.00	456,800.73	98,694.25	71,932.00	46,930,765.73

LIABILITIES

Suspense Accounts	Items for Collection	Interest Received in Advance	Taxes Payable	Earnings (of 2 Cooperatives)	Net Profit	Total
1,935,378.50	—	37,516.75	—	32,080.75	—	2,830,479.00
8,807.00	—	6,906.00	—	—	—	939,164.00
100,987.00	—	110,472 00	11,713.00	—	34,894.00	4,443,397.00
—	754,695.00	302,032.00	52,759.00	—	325,807.00	16,065,475.00
30,625.00	187,493.00	86,029.00	7,557.00	—	25,298.00	3,885,780.00
36,363.00	—	20,943.00	4,062.00	—	161,904.00	4,073,326.00
—	—	41,337.00	269.00	—	77,292.00	2,487,364 00
—	55,845.00	15,260.25	187.40	—	—	535,675.40
64,018.00	—	234,954.00	16,602.00	—	98,023.00	6,527,834.00
28,491.00	—	—	1,565.00	—	2,920.00	593,387.00
3,000.00	39,577.00	24,669.00	1,705.00	—	6,568.32	1,216,784.58
35,706.00	—	53,526.00	2,773.00	—	41,596.00	2,086,205.00
5,013.00	—	6,407.00	—	—	—	543,410.00
—	63,389.00	—	—	56,626.00	—	702,484.75
2,248,388.50	1,100,999.00	940,052.00	99,192.40	88,706.75	774,302.32	46,930,765.73

BESSARABIA

Bessarabia is a country without industry. Trade is almost entirely in the hands of the Jews, who comprise 90 per cent and often 100 per cent of the merchants of the smaller cities.

Before Bessarabia was acquired by Roumania, it was regarded as a rich land. Its wine and fruit production, for instance, which was second in importance only to grain, was largely sold to the interior of Russia. Now, of course, this trade has been adversely affected, as Old Roumania grows these products itself. This change has spelled misfortune to the Jewish colonists in Bessarabia.

There is still an atmosphere of uncertainty, which injures business and causes uneasiness among the Jews. The situation was aggravated by the three bad crops of the last few years. The crop failure in 1925 was so serious that not even seed was available, and a large part of the population actually suffered hunger. Thousands of persons who had never resorted to charity had at that time to eat in public soup kitchens. Even in 1926 the hope for a really good crop was not fulfilled; it was below the average.

It will be clear from what follows that the activity of the J. D. C. and Foundation was necessarily different in Bessarabia. There was no need of beginning from the bottom and explaining the wisdom of cooperation to the Jewish masses, for cooperatives had existed in Bessarabia before the war. Old cooperatives, which had suspended operations entirely or in part during hostillities, had, however, to be revived. Prior to 1914, 36 Jewish cooperatives functioned in Bessarabia, and until the outbreak of the war they received very valuable assistance from the I. C. A. Bessarabian Jewry owes thanks to the I. C. A. for the introduction and furtherance of the cooperative movement.

In order to convey an impression of the condition of the 36 Bessarabian cooperatives which operated between 1907 and 1914, their combined balance sheet is submitted below:

Combined Balance Sheet of the Bessarabian Cooperatives Before the War.

	In Roubles. (Two Roubles equal approximately $1)	
ASSETS.	Jan. 1st, 1907	Jan. 1st, 1914
Cash on Hand	10,666	110,582
Cash in Banks	57,847	287,969
Securities	—	28,062
Loans Outstanding	199,048	3,252,384
Furniture & Fixtures	4,339	21,907
Merchandise	—	2,899
Miscellaneous Assets	2,443	7,246
Loss	222	—
	274,565	3,711,049

LIABILITIES.	Jan. 1st, 1907	Jan. 1st, 1914
Share Capital	65,019	568,879
Reserves	14,867	299,984
Deposits	168,115	2,197,259
Credits Received	15,000	484,694
Miscellaneous Liabilities . .	10,114	111,395
Profit	1,450	48,838
	274,565	3,711,049
Number of members . . .	5,933	37,887

From the above data it is seen that when war was declared deposits constituted 59.2 % of the liabilities of the cooperatives; capital and reserves amounted to 23.4 %; while loans totalled only 13.1 %, of which 3.2 % were granted by the I. C. A. and the remaining 9.9 % by private banks, the Russian State Bank, etc.

The I. C. A. always assisted the cooperatives, but, as far as possible, withdrew its advances when the financial situation of the cooperatives and the acquisition of money from other sources permitted.

The outbreak of the war had a quick and sudden effect on the life of the cooperatives. Panic-stricken, the members demanded the return of their deposits. To satisfy these demands it was necessary to reduce operations and, in a number of cases, to interrupt the work entirely. The situation was critical. At this juncture the I. C. A., the State Bank and the Moscow Narodny Bank came to the aid of the cooperatives with emergency credits, which were to be used exclusively for meeting the demands of depositors. This aid, however, eased the position of the cooperatives for a short time only.

Later the cooperatives became almost completely inactive and their chief work, loan and deposit operations, dwindled or disappeared altogether.

In some instances, however, the general economic situation provided the cooperatives with a new function, that of supplying necessities to the population. A few of them, which no longer carried on strictly financial business, occupied themselves with the distribution of foodstuffs.

When, in 1920, the Reconstruction Department of the J. D. C. began to devote its attention to the rehabilitation of the credit cooperatives in Bessarabia, it undertook an inspection of all of them in order to ascertain their condition. The result was not very comforting, as all reports showed that work had stopped, that chaos prevailed, and that the annual meetings had not been held for years.

In view of these circumstances, it was felt that a union of cooperatives must first be organized which would carry out the supervision, training and reorganization of all the cooperatives and act as a sort of clearing house for their financial affairs.

Thereupon, in October, 1920, this Union was organized and 18 of the 36 pre-war cooperatives joined. In 1921, the membership of the Union rose to 25; in 1922, thanks to the assistance of the J. D. C., two more joined, and the next year still another, so that by 1923 the Union had no less than 28 members.

Ever since 1922 permanent representatives of the J. D. C. have been in Bessarabia and worked in close contact with the Union in order to revive the Jewish cooperatives of the province.

At the beginning of 1921 the J. D. C. granted the Union a first credit of $100,000, and in 1922 a supplementary loan of $100,000, which could be drawn on when the need arose.

In 1923 the J. D. C., in agreement with the I. C. A., which now resumed its pre-war activities, opened an additional credit of $25,000 for the Union. Of this sum, $15,000 was to be used for the crediting of old cooperatives, and $10,000 for the opening and crediting of four new ones, which were started with the help of the J. D. C. The J. D. C. and the I. C. A. shared equally in this last grant.

After the Reconstruction Department of the J. D. C. had been liquidated, the Foundation carried on its work in the cooperative field in Bessarabia, and in 1924 assisted in the organization of five new cooperatives, and in 1925 of one more. In 1926 six further cooperatives were established, bringing the total number of Jewish cooperative kassas up to forty.

The tables printed below indicate that, in addition to general credits, the cooperatives received special credits. At the beginning of 1922, for instance, the J. D. C. gave the Union a special credit for agriculturists, for there are many Jewish farmers in Bessarabia, and their number increased after the land reform was instituted. After the J. D. C.'s first credit in 1922, and when the I. C. A. had resumed its activities in Bessarabia, credits for this purpose were granted jointly by the J. D. C. and I. C. A. by mutual agreement, and later by the Foundation.

In the second half of 1925, moreover, the Foundation opened an initial credit of $10,000 for loans to Jewish farmers to pay for the land which had been allocated to them under the agrarian reform law. During the famine of 1925 the Foundation gave the Union a credit of $15,000 for loans in kind to members of the cooperatives. It is noteworthy that this last special credit was partly repaid at a date earlier than it was due.

The credits granted in 1926 to the Association of Jewish Cooperative Kassas in Bessarabia were divided as follows:

$30,000 for working capital
$ 8,500 for loans on crops
$10,000 for short-term credits.

Examined in the light of the peculiar Bessarabian situation, the activity of the local cooperatives was altogether gratifying. It is worthy of special note that the Union's regulations, which were strictly adhered to, contributed towards better and more efficient management. It is a fact that under this guidance the cooperatives expanded and gained in strength. The increase of local capital and the punctual repayments testify to the accuracy of this statement.

In addition, these cooperatives must now help, not only the small merchant, but the whole middle class. Before the war there were special cooperatives for the middle class, called Mutual Credit Cooperatives. These have for the most part ceased to exist, and their former members have joined the savings and loan kassas, from which they receive credits.

We would like to add a few general remarks regarding the situation of the kassas in Bessarabia during the time of the severe crisis through which this territory passed, caused chiefly by the bad crops of the last few years. While the whole of Bessarabia suffered from three successive bad crops, the figures for the years 1926 show progress in the development of the kassas. Their own resources increased, which

is the best proof that the kassas are firmly established. It may naturally be shown that a few kassas were affected by the difficult conditions under which the country suffered, especially those whose members belonged to the agricultural population, and which therefore met with delays in repayments. The association, however, used great energy and, in close connection with our representatives, tried to improve the situation. Its efforts were rewarded with success. The number of payments in arrears decreased by 50 per cent in all kassas.

As mentioned above, a special credit was placed at the disposal of the association for loans on crops. The benefits which the agricultural members of the kassas derived from this particular credit were extraordinary, especially as the price of grain dropped very considerably after the harvest. Comparing the prices which were finally obtained, a difference of from 60 to 100 per cent may be found. This splendid result will probably cause us to put a similar credit at the disposal of the association for the year 1927, and perhaps almost double the amount, i. e., about $15,000.

The share capital is created by deducting 10 per cent from all loans granted to members.

In 1921	the	average	share	capital	per	member	was $0.45
In 1922	„	„	„	„	„	„	„ $0.90
In 1923	„	„	„	„	„	„	„ $1.25
In 1924	„	„	„	„	„	„	„ $1.57
In 1925	„	„	„	„	„	„	„ $1.72
In 1926	„	„	„	„	„	„	„ $2.17

In lei the reserves increased:

55 %	between	1921	and	1922
92 %	„	1922	„	1923
41 %	„	1923	„	1924
32 %	„	1924	„	1925
74 %	„	1925	„	1926

The sinking fund of the cooperatives is raised by an extra 10 per cent added to the interest on loans. This money is transferred to the Union every quarter and is used for payments to the Foundation. This arrangement obviates the necessity of the Union resorting to its working capital for the purpose of meeting its obligations to the Foundation.

Despite the difficult economic conditions, deposits have been increasing from year to year. Deposits were divided thus:

	Demand Deposits	Time Deposits	Savings Deposits
1921 . . .	73.0 %	27.0 %	—
1922 . . .	69.8 %	15.5 %	14.7 %
1923 . . .	48.2 %	12.4 %	39.4 %
1924 . . .	30.7 %	12.6 %	56.7 %
1925 . . .	34.5 %	13.0 %	52.5 %
1926 . . .	30.7 %	11.4 %	57.9 %

MEMBERSHIP OF THE BESSARABIAN

	1921	Per Cent	1922	Per Cent
Traders	9,600	39.4	7,060	40.0
Agriculturists	3,752	15.4	2,312	13.1
Artisans and Manufacturers	7,418	30.4	5,182	29.3
Miscellaneous	3,610	14.8	3,100	17.6
Total	24,380		17,654*	

*The large decrease in membership between 1921 and 1922 is due to the fact that the Union instructed

ACCORDING TO NUMBER OF MEMBERS,

Membership (Dec. 31st, 1926)	Number Cooperatives
Under 300	5
From 300 to 500	14
From 500 to 700	8

PRINCIPAL ITEMS IN THE BALANCE SHEETS OF THE

	1921 (Lei)	1922 (Lei)
Share Capital	764,640	2,518,965
Reserves	641,883	991,816
Sinking Fund	53,904	51,212
Deposits	2,727,750	4,735,806
Total Local Funds	4,188,177	8,297,799
Debt to Union	5,542,961	17,333,396
Other Debts	441,158	298,365
Profit	22,000	116,000
Loss	484,000	112,000

	1921 (Dollars)	1922 (Dollars)
Share Capital	$ 10,923	$ 15,865
Reserves	9,170	6,238
Sinking Fund	770	322
Deposits	38,968	29,785
Total Local Funds	59,831	52,210
Debt to Union	79,185	109,015
Other Debts	6,302	1,877
Profit	314	730
Loss	6,914	704

COOPERATIVES BY OCCUPATION

1923	Per Cent	1924	Per Cent	1925	Per Cent	1926	Per Cent
9,069	42.9	10,279	43.6	9,957	41.0	11,328	41.7
2,826	13.4	3,101	13.1	3,273	13.5	3,654	13.4
4,984	23.6	5,696	24.1	6,392	26.3	7,765	28.6
4,250	20.1	4,518	19.2	4,671	19.2	4,419	16.3
21,129		23,594		24,293		27,166	

the kassas to drop from their registers all members who had not paid for their share capital.

THE COOPERATIVES ARE DIVIDED AS FOLLOWS:

Membership (Dec. 31st, 1926)	Number Cooperatives
From 700 to 1000	6
Over 1000	7
Total	40

BESSARABIAN COOPERATIVES FROM 1921 TO 1926

1923 (Lei)	1924 (Lei)	1925 (Lei)	1926 (Lei)
5,111,963	7,539,742	8,959,197	11,199,008
1,902,550	2,675,834	3,532,290	6,141,061
620,903	1,611,788	2,806,797	4,499,751
12,088,390	20,575,663	35,793,900	48,215,543
19,723,806	32,403,027	51,092,184	70,055,363
30,286,326	36,697,219	47,793,016	64,335,129
166,059	1,222,715		529,495
125,912	256,585	249,000	360,173
171,077	598,177	530,027	895,229

1923 (Dollars)	1924 (Dollars)	1925 (Dollars)	1926 (Dollars)
$ 26,350	$ 36,960	$ 41,671	$ 58,942
9,807	13,117	16,429	32,321
3,201	7,901	13,055	23,683
62,311	100,870	166,483	253,766
101,669	158,848	237,638	368,712
156,115	179,888	222,293	338,606
856	5,994		2,287
649	1,258	1,158	1,896
882	932	2,465	4,712

	Number of Depositors
1921 . . .	3,460
1922 . . .	6,681
1923 . . .	10,237
1924 . . .	11,302
1925 . . .	12,818
1926 . . .	23,713

The indebtedness of the cooperatives to the Union on December 31st, 1926, amounted to 64,214,480 lei (taken from the balance sheet of the Union), itemized as follows:

	Lei
General Credits	40,017,918
Agricultural Credits . . .	17,839,838
Short-Term Credits . . .	1,309,391
Foodstuff Credits	1,272,296
Loans for Artisans . . .	2,375,650
Loans of Machines . . .	1,399,387
Total	64,214,480

The general credit account includes the 5,000,000 lei debt of the cooperatives for the Union's share capital, so that the total indebtedness for credits actually received from the Union amounted to 59,214,480 lei.

The local funds of the cooperatives increased by:

98 %	between	1921	and	1922
138 %	„	1922	„	1923
64 %	„	1923	„	1924
58 %	„	1924	„	1925
37 %	„	1925	„	1926

There is no doubt that, in spite of the satisfactory development of the kassas, an increase of cheap credits is necessary in order to provide them with the necessary working capital and thus make possible a decrease in the rate of interest, which is most desirable. In this connection we hope to be in a position to meet the urgent needs of the kassas during the year 1927.

Special mention must be made of the savings deposits, which were instituted in 1922 at the suggestion of the Reconstruction Department of the J. D. C., and which have reached a volume far in excess of that in any other country. The number of depositors rose quickly from month to month. On December 31st, 1922, the savings deposits totalled 705,727 lei, but on December 31st, 1925, they amounted to 18,799,440 lei, and on December 31st, 1926, were as high as 27,903,096 lei. The total of all deposits that had been made was 35,793,900 lei on December 31st, 1925, and 48,215,543 lei on December 31st, 1926.

THE UNION OF JEWISH COOPERATIVES.

In explaining the activity of the kassas in Bessarabia, we have already mentioned the Union of Jewish Cooperatives and its history. We highly appreciate the activity of the Union during the six years of its existence in carrying out its task — the control, inspection and organization of the affiliated Jewish cooperative kassas. Especially during the last three years, the critical period through which the kassas had to pass and which still continues, the Union fulfilled its task satisfactorily. Together with our inspectors, the Union controlled and instructed the associated kassas and, by this work, enabled us to grant new credits at a time when even the larger banks were withdrawing theirs on account of the critical situation of the debtors.

The Union also became the central financial organ of the kassas, which was not the case in other countries. The peculiar situation in Bessarabia and the highly qualified management of the Union induced us to give our consent to its becoming the central financial institution. The administrative expenses of the Union are covered by special contributions from the individual kassas, which procedure has received our approval. The budget of the Union is likewise subject to our approval.

Our credits for the kassas are given to the Union in a manner similar to that in use in Poland through the Bank dla Spoldzielni, and the Union generally charges the kassas 3 to 4 per cent more than the rate charged by the Foundation, depending on the kind of credit. It must, however, be mentioned that certain credits are given to the kassas without any profit to the Union. Lately the Union decided to request the kassas to decrease the rate of interest to 16 %, and the Union itself has already decreased its margin of profit by ½ %. If feasible, a further decrease of ½ % will very likely occur during the year 1927.

The Union has increased its principal activity of control, inspection and organization of the kassas, and for this purpose another inspector has been added to the staff. A magazine entitled "The Cooperative Word" is published monthly. The figures below will give an idea of the activity of the association.

ASSISTANCE TO ARTISANS.

The J. D. C. paid special attention to artisan members of the cooperatives. To meet the acute needs of the artisans for machines and other equipment, it appropriated 199 sewing machines in 1922 and 37 in 1923, and a large quantity of tailoring, shoemaking and carpentry equipment in 1924. These articles were given to the Union for what was then the low price of 100,000 lei, but on condition that the total profit accruing from their sale be used for carrying out a survey of conditions among the artisans, for the publication of a cooperative periodical, and for other general cooperative purposes.

The question of credit for the artisans was one of the most important with which the Union was occupied during the year 1926. The survey gave a more or less accurate picture of the situation of this economic group. On January 1st, 1927,

RATIO OF LOCAL FUNDS

Year	No. of Members	Local Funds (Lei)	Union Credits (Lei)
1921	24,380	4,188,177	5,542,961
1922	17,654	8,297,799	17,333,396
1923	21,129	19,723,806	30,286,326
1924	23,594	32,403,027	36,697,219
1925	24,293	51,092,184	47,793,016
1926	27,166	70,055,363	64,335,129

RATIO OF LOCAL FUNDS

Year	Local Funds (Lei)	Total Outside Credits (Lei)	Local Funds (Dollars)	Total Outside Credits (Dollars)
1921	4,188,177	5,984,119	$ 59,831	$ 85,487
1922	8,297,799	17,631,761	52,210	110,892
1923	19,723,806	30,452,385	101,669	156,971

In 1921 outside credits exceeded local funds by 43 %
„ 1922 „ „ „ „ „ „ 112 %
„ 1923 „ „ „ „ „ „ 54 %
„ 1924 „ „ „ „ „ „ 17 %
„ 1925 local funds „ outside credits „ 7 %
„ 1926 „ „ „ „ „ „ 9 %

THE DISTRIBUTION OF LOANS TO MEMBERS,

	1921 (Lei)	Per Cent	1922 (Lei)	Per Cent
Traders	5,708,012	59.4	27,750,455	53.1
Agriculturists	1,554,913	16.2	6,076,444	11.6
Artisans	2,343,265	24.4	13,449,464	25.8
Miscellaneous			4,935,739	9.5
Total	9,606,190		52,212,102	

The Amount of Loans increased	The Number of Loans increased
444 % between 1921 and 1922	231 % between 1921 and 1922
156 % „ 1922 „ 1923	65 % „ 1922 „ 1923
38 % „ 1923 „ 1924	90 % „ 1923 „ 1924
4 % „ 1924 „ 1925	4 % „ 1924 „ 1925*
34 % „ 1925 „ 1926	17 % „ 1925 „ 1926

*Decrease

TO CREDITS OF UNION

Average per Member			
Local Funds		Union Credits	
(Lei)	(Dollars)	(Lei)	(Dollars)
172	$2.45	227	$3.25
470	2.96	982	6.18
933	4.81	1,433	7.39
1,373	6.73	1,555	7.62
2,103	9.78	1,967	9.15
2,579	13.57	2,368	12.46

TO TOTAL OUTSIDE CREDITS

Year	Local Funds (Lei)	Total Outside Credits (Lei)	Local Funds (Dollars)	Total Outside Credits (Dollars)
1924	32,403,027	37,919,934	$158,848	$185,882
1925	51,092,184	47,793,016	237,638	222,293
1926	70,055,363	64,335,129	368,712	341,393

LOAN OPERATIONS

Year	Number	Amount (Lei)	Average Loan (Lei)
1921	7,845	19,606,190	1,223
1922	25,973	52,212,102	2,010
1923	42,790	133,909,166	3,129
1924	46,428	184,698,189	3,978
1925	44,479	192,216,802	4,322
1926	51,829	258,179,288	4,981

ACCORDING TO OCCUPATION, WAS AS FOLLOWS:

1923 (Lei)	Per Cent	1924 (Lei)	Per Cent	1925 (Lei)	Per Cent	1926 (Lei)	Per Cent
70,172,960	52.4	104,440,282	56.5	110,968,773	57.7	141,678,214	54.9
18,794,109	14.0	19,806,711	10.7	18,276,716	9.5	29,937,065	11.6
31,795,375	23.8	44,129,735	23.9	44,918,595	23.4	59,704,621	23.1
13,146,723	9.8	16,321,461	8.9	18,052,718	9.4	26,859,388	10.4
133,909,167		184,698,189		192,216,802		258,179,288	

From these figures it will be seen that, while the *number* of loans decreased in 1925, in 1926 it again rose. The *amount* of the loans, however, shows a steady increase. The average loan in 1926 increased by about 659 lei.

the artisans belonging to the Jewish cooperative kassas in Bessarabia numbered 6.489, divided according to occupation as follows:

Tailors, Milliners and Needlewomen . .	1.566
Shoemakers	1.035
Joiners	614
Furriers	521
Blacksmiths, Locksmiths and Mechanics	497
Bakers	455
Saddlers	224
Tinkers	213
Builders	195
Barbers	195
Coopers	160
Watchmakers and Jewellers	110
Glaziers	86
Photographers	53
Book Binders	50
Washers and Chemical Dyers	35
Miscellaneous	480
Total	6.489

As in Poland, disagreements often arose in those kassas with a large proportion of artisans as members, between the artisans and small merchants, and especially between the artisans and agriculturists. The artisans complained of discrimination by the Union, which, in their opinion, did not take care of them as well as of the agriculturists. It should be mentioned, however, that the Union, apart from the $20.000 (about 4 million lei) granted by the J. D. C., issued special credits for the artisans for the common purchase of raw material and did everything within its own means. The question of collective purchasing and, to a certain extent, collective selling, became more urgent during the last months of 1926, and will become particularly acute during 1927. A meeting of all Bessarabian Jewish artisans organized in the kassas was called for February.

As stated in the section on our activities in Poland, we intend helping the endeavors to establish cooperative purchasing and selling societies for artisans. While the entire question is a very complicated one, we feel nevertheless obliged to turn our attention to these new tendencies which have recently arisen in the Jewish cooperative movement. We shall do our best to see to it that such operations are conducted on a sound commercial basis. There is no doubt that the collective purchase of raw material will considerably decrease their cost to the artisan in the small towns which are situated far from the commercial centres. Sales have to be watched very carefully, in order to prevent the kassas from assuming the function of selling on their own account the products of the artisans, such as shoes and clothes.

AGRICULTURE.

In Bessarabia there exist Jewish agricultural colonies, founded during the reign of Nicholas I, which have been continuously engaged in farming.

Before the war the I. C. A. had shown much interest in these settlements. The agricultural activity of this organization in Bessarabia began in 1899, and up to 1918 the I. C. A. aided in consolidating the position of the colonists and placing new elements on the land. The country is especially suitable for Jewish agricultural work, because it is favorable for the growth of tobacco and vines, in which the Jews have had some experience.

During a period of about twenty years the I. C. A.'s Agricultural Department in Bessarabia extended loans and provided for agricultural education. It assisted in the development of the colonies by putting live stock and agricultural machinery at the disposal of the Jewish farmers and acquainting them with the best agricultural methods. Especially important was the service the I. C. A. rendered in the development of vine cultivation among the Jews.

The war and the ensuing political situation forced the I. C. A. first to lessen and finally to cease its agricultural activity altogether. When, in the years 1918 to 1920, the general situation of the Jews in Bessarabia grew worse, Jewish agriculture also entered a critical stage. The old Jewish homesteads, which had been neglected and robbed of their equipment, were completely ruined. The poorly cultivated vineyards fell into disuse and the tobacco plantations were brought to an early death by the institution of the tobacco monopoly in Roumania. Such low prices were set on tobacco that they did not even cover the cost of cultivation, and the entire tobacco-raising industry was placed under the strictest kind of state control. In certain districts the raising of tobacco was arbitrarily prohibited.

This policy of the Roumanian government succeeded in cutting the area under tobacco cultivation to one-tenth of what it had been, and some tobacco planters were simply reduced to starvation. At the same time the general economic position of all Jews grew worse. The destruction of houses, the lack of credits and agricultural aid, and, above all, the absence of any free lands, as a result of the peasants' taking over the lands of the state and large proprietors, killed the chances of a great many Jews who wished to take up farming. In some territories the Jews tried to follow the example of the peasants and seize the properties of the landowners, but they failed because of their economic and political weakness.

At this juncture, when the Jewish farmer seemed to stand on the brink of the abyss, an edict was promulgated in October, 1922, for the introduction of the land law in Bessarabia, which, for the first time in a century, oponed wide prospects for the Jews. This law proposed to create order out of the chaos resulting from the violent seizure of land by the peasants and to divide the expropriated estates among people of all nationalities according to definitely fixed principles. Thanks to this reform, Jews who had long desired to take up agriculture were able to form a stable class of farmers. In 1922 the J. D. C. appropriated the sum of $10,000 for the support of these farmers, and at the same time, at the suggestion of the J. D. C., a survey of Jewish agriculture was undertaken. The information thus obtained was to help direct the work in this field of endeavor.

The investigation showed that in the Soroka and Orgejew districts the Jewish farmers were in a critical position and that the status of the Jews in agriculture was

PRINCIPAL ITEMS IN THE BALANCE

	1921 (Lei)	1922 (Lei)
Share Capital	95,060	478,724
Reserves	—	11,897
Sinking Fund (Deposited with Union)	—	—
Deposits and Current Accounts	2,132,455	4,048,470
Total Local Funds	2,227,515	4,539,091
J. D. C. and Foundation Credits	7,765,889	17,173,389
I. C. A. Credits	—	—
Total Outside Credits	7,765,889	17,173,389
Credits to Cooperatives	5,547,747	17,528,818

	1921 (Dollars)	1922 (Dollars)
Share Capital	$ 1,358	$ 3,011
Reserves	—	75
Sinking Fund (Deposited with Union)	—	—
Deposits and Current Accounts	30,464	25,443
Total Local Funds	31,822	28,529
J. D. C. & Foundation Credits	100,000	108,009
I. C. A. Credits	—	—
Total Outside Credits	100,000	108,009
Credits to Cooperatives	79,254	110,244

FOUNDATION CREDITS

	General (Dollars)	Agricultural (Dollars)
1921	$ 100,000.00	—
1922	50,000.00	$ 10,000.00
1923	50,000.00	5,000.00
1924	12,500.00	10,000.00
1925	19,862.95	—
1926	51,815.78	8,500.00
Total	$ 284,178.73	$ 33,500.00

Local Funds of the Union	Local Funds of the Union
Increased 104% between 1921 and 1922	Increased 294% between 1924 and 1925
Decreased 50% between 1922 and 1923	Increased 21% between 1925 and 1926
Increased 16% between 1923 and 1924	

SHEET OF THE UNION

1923 (Lei)	1924 (Lei)	1925 (Lei)	1926 (Lei)
723,884	1,000,000	5,000,000	5,000,000
23,565	38,710	323,171	446,830
232,264	1,132,046	2,427,160	4,089,368
1,298,111	465,973	2,637,854	2,990,666
2,277,824	2,636,729	10,388,185	12,526,864
29,080,811	31,224,069	36,635,209	45,460,762
4,494,147	6,105,156	7,783,580	14,087,052
33,574,958	37,329,225	44,418,789	59,547,814
30,624,409	36,766,056	47,793,016	64,214,480

1923 (Dollars)	1924 (Dollars)	1925 (Dollars)	1926 (Dollars)
$ 3,731	$ 4,902	$ 23,256	$ 26,316
121	190	1,503	2,352
1,197	5,549	11,289	21,523
6,697	2,284	12,269	15,740
11,746	12,925	48,317	65,931
149,901	153,059	170,396	239,267
23,166	29,927	36,203	74,143
173,067	182,986	206,599	313,410
157,858	180,226	222,293	337,971

TO UNION

Land Purchase (Dollars)	Seeds (Dollars)	Foodstuffs (Dollars)	Total (Dollars)
—	—	—	$ 100,000.00
—	—	—	60,000.00
—	—	—	55,000.00
—	—	—	22,500.00
$ 6,289.00	$ 10,000.00	$ 9,975.38	46,127.33
—	—	5,000.00	65,315.78
$ 6,289.00	$ 10,000.00	$ 14,975.38	$ 348,943.11

Credits of the Union to the Kassas	Credits of Union to the Kassas
Increased 216% between 1921 and 1922	Increased 30% between 1924 and 1925
Increased 75% between 1922 and 1923	Increased 34% between 1925 and 1926
Increased 20% between 1923 and 1924	

endangered by the developments growing out of the land reform itself. It was found that the majority of Jewish farmers did not own their land, but leased it from others. Before the introduction of the agrarian reform, the Jews had rented parcels of land from the proprietors and the Church and were engaged in various branches of agriculture.

The land reform act did not discriminate between Jews and non-Jews, but in actual practice it soon appeared that the interests of the Jewish farmers were not taken into consideration. Jewish representatives were not admitted into the local councils or to the central "Casa Noastra", or any of the commissions which were charged with making up the lists of those who were to receive land. Only in Jewish colonies, where all the inhabitants were Jews, were the members of the local land committees Jewish.

The members of the local commissions were very unfriendly in their attitude towards the Jews. Some were frankly antisemitic, while others really labored under the impression that there were no Jewish farmers. In some districts all Jewish names were simply stricken from the lists, and in others that point of the law which stated that only persons whose chief occupation was agriculture would receive land was used against the Jews. The approval of grants to Jews was conditioned on their being devoted to agriculture only, and on their possession of some land and equipment for several years past. Naturally, the Jews could not meet these requirements, because they had not had the right to buy or rent land before the war and, for that reason, did not possess sufficient equipment. In most instances, moreover, they could not support themselves without recourse to some additional occupation.

When the law for the distribution of the land was first published, the Jewish public failed to grasp its full import to the Jewish farmer. Even when the district committees were in process of formation, the Jewish organizations did not show any interest in the matter. Nowhere were attempts made to win Jewish representation and the protection of the Jewish farming class. By the beginning of 1922 the problem of acquiring land had become extremely acute in the villages inhabited by large numbers of Jews.

At this juncture the representatives of the J. D. C. in Bessarabia decided that the Jewish farmers must be organized. The J. D. C. offered the necessary legal assistance and proposed the aforementioned Jewish agricultural survey.

According to available data, 3,370 Jews in Bessarabia received land grants, but to these must be added those Jews to whom land was appropriated in various settlements, where no information was obtainable. Their number cannot be less than 1,000. The total, therefore, is somewhere in the neighbourhood of 4,000 to 5,000. Considering the fact that before the land reform there were no more than 900 Jewish farmers, it must be admitted that the law was a turning point in the history of Jewish agriculture in Bessarabia.

On investigation it was discovered how poor the equipment of the Jewish farmers really was, due perhaps to a realization of the danger that they would not be able to assert themselves as the actual cultivators of their own soil anyway. The credit of the J. D. C. was therefore used for the purpose of supplying them with agricultural implements. A definite programme was decided on, and in the autumn of 1922 the first ploughs were distributed. The new colony of Serbeschty received a special credit for the purchase of seeds.

By 1923 the greater part of the land granted to Jews was under cultivation. Farmers were supplied with ploughs, horses and seed. Some were helped in leasing their land. Owners of vineyards were assisted in the purchase of slips.

This entire activity was directed by 18 cooperatives which covered, not only the 21 localities thickly populated by Jews, but other places as well.

In May, 1923, the I. C. A. resumed its work in Bessarabia. The society made a special investigation and, as a result, established a department for agricultural activity. This department worked in close contact with the J. D. C. and later with the Foundation.

Since 1923 the I. C. A. has aided the old colonists as well as the new ones who received land through the agrarian law. Special attention was directed to increasing the supply of agricultural machinery. In eleven places, which took care of fourteen colonies, stations were organized for renting agricultural machines. Special credits aided in substantially increasing the number of cattle. Some colonists received credits which permitted them to lease new tracts of land, which put their existence on a sound basis.

In this way about 600 hectares of new land were rented, particularly by those colonists who did not receive enough through the agrarian law. Other kinds of agricultural activity, such as poultry farming and apiculture, have also been furthered.

Apart from its credit activity, the I. C. A. established, through the cooperative kassas, model farms, which brought forth better seeds that were distributed among the Jewish colonists. The experts of the I. C. A. advised the people on the various kinds of agricultural work. In 1923 the I. C. A. spent the sum of $22,000 for this work, and the J. D. C. $15,000.

In 1924 the agricultural activity of the I. C. A. showed great progress. In 23 villages there were 2,972 farms with about 15,000 souls, who cultivated 23,911 hectares and profited by the I. C. A.'s educational work. The live stock purchased in 1924 comprised 181 horses, 188 cows and 250 sheep. Preparations have been made for the improvement of the farms belonging to the colonists. Before the war the I. C. A. had planted many thousands of fruit-trees in the colonies, which were naturally entirely neglected during the war, and partly destroyed. For demonstration purposes model orchards were cultivated.

Another important phase of the I. C. A.'s activity was the improvement and increase of the vineyards in the colonies. 271,300 slips were sent from France to Bessarabia, and their cultivation was controlled and supervised by the I. C. A. The amount invested in 1924 was $18,000 by the I. C. A. and $9,000 by the J. D. C.

In 1925 the I. C. A. established the first dairying cooperative in Petrowka. The Foundation, on its part, aided the colonists by providing them with seeds. The extremely bad crop in 1925 affected the live stock in the colonies. By a special credit from the I. C. A., 125 horses and 193 cows and oxen were purchased.

By reason of the bad crop a comparatively large number of Jewish colonists were unable to pay even the small instalments which were due on the land they had received through the agrarian law. There was a danger, therefore, that the Jews would lose their property rights to the soil, but the Foundation averted this by a special credit of $10,000.

Balance Sheet of the Union of Jewish Cooperatives, Chisinau, December 31st, 1925.

(Lei)

Assets			Liabilities		
Cash on Hand		454,070.00	Share Capital		5,000,000.00
Foreign Currency on Hand		1,975.00	Reserves		323,170.55
Cash in Banks		4,703,856.00	Sinking Fund of Cooperatives Deposited with Union		2,427,160.00
Credits Granted to Cooperatives			Deposits		2,637,854.00
a) General Credits	31,035,586.00		Credits Received		
b) Short Term Credits	2,506,107.00		a) From Foundation	36,635,209.25	
c) Agricultural Credits	10,717,805.00		b) From ICA	7,783,580.00	44,418,789.25
d) Credits for Renting Stations	1,383,518.00		Employees' Savings Fund		716,715.00
e) Credits for Foodstuffs	2,150,000.00	47,793,010.00	Interest Payable		445,944.30
Merchandise			Taxes Payable		111,862.50
a) On Hand	144,586.60		Interest Received in Advance		37,525.00
b) On Consignment	4,575.55	149,162.15	Deferred Revenue from Real Estate		7,646.00
Real Estate		2,116,894.00	Suspense Account		232,279.65
Furniture and Fixtures		155,410.50	Collection Items		83,927.00
Correspondents		205,205.00			
Organization Expenses		189,552.00			
Deferred Expenses		26,000.00			
Suspense Account		592,893.15			
Loss		54,839.45			
		56,442,873.25			56,442,873.25

Profit and Loss Account, December 31st, 1925.

(Lei)

Debit		Credit	
Administrative Expenses	1,424,386.00	Interest and Commissions Earned	2,770,509.35
Interest and Commissions Paid	1,392,229.05	Profit from Sale of Merchandise	6,266.25
Depreciation of Real Estate	168,527.00	Revenue from Real Estate	168,527.00
Depreciation of Furniture and Fixtures	15,000.00	Loss	54,839.45
	3,000,142.05		3,000,142.05

Balance Sheet of the Union of Jewish Cooperatives, Chisinau, December 31st, 1926

(Lei)

Assets			Liabilities		
Cash on Hand		722,893.00	Share Capital		5,000,000.00
Foreign Currency on Hand		1,975.00	Reserves		446,829.70
Cash in Banks		5,786,008.00	Sinking Fund of Cooperatives Deposited with Union		4,089,368.00
Credits Granted to Cooperatives			Deposits and Current Accounts		2,990,666.00
a) General Credits	40,017,918.00		Credits Received		
b) Short Term Credits	1,309,391.00		a) From Foundation	45,460,762.25	
c) Agricultural Credits	17,839,838.00		b) From ICA	14,087,052.00	59,547,814.25
d) Credits for Renting Stations	1,399,387.00		Employees' Savings Fund		887,187.00
e) Credits for Foodstuffs	1,272,296.00		Interest Payable		723,799.30
f) Credits for Artisans	2,375,650.00	64,214,480.00	Taxes Payable		147,353.00
Merchandise		79,787.10	Interest Received in Advance		39,495.00
Real Estate		2,352,034.00	Deferred Revenue from Real Estate		12,173.00
Furniture and Fixtures		178,314.50	Suspense Account		267,158.50
Correspondents		549,964.00	Collection Items		362,789.00
Organization Expenses		144,552.00	Net Profit		24,142.55
Deferred Expenses		18,600.00			
Suspense Account		490,167.70			
		74,538,775.30			74,538,775.30

Profit and Loss Account, December 31st, 1926

(Lei)

Debit		Credit	
Administrative Expenses	1,785,238.95	Interest and Commissions Earned	3,951,283.50
Interest Paid	2,127,443.35	Profit from Sale of Merchandize	541.35
Depreciation of Real Estate	132,624.00	Revenue from Real Estate	132,624.00
Depreciation of Furniture and Fixtures	15,000.00		
Net Profit	24,142.55		
	4,084,448.85		4,084,448.85

BALANCE SHEET OF THE 34 CREDIT

December 31st, 1925

ASSETS (LEI)

Town	Cash on Hand and in Banks	Loans Outstanding	Real Estate
Akerman	1,091,598	3,179,000	582,241
Alexandreni	73,607	638,279	—
Ataki	171,487	1,594,379	—
Bairamtcha	234,985	872,691	—
Balti	793,448	3,761,590	1,114,361
Benderi	770,620	3,023,486	529,100
Bolgrad	160,558	1,311,230	—
Britchani	355,890	2,476,252	—
Britchevo	212,315	1,376,077	—
Dombroveni	139,599	1,622,241	—
Gantchesti	166,836	1,453,799	—
Hotin	788,363	3,574,350	—
Ismail	681,949	1,499,898	—
Kalarasi	513,342	1,838,812	—
Kapresti	179,326	1,927,242	165,148
Kilia	105,494	1,052,255	—
Kishineff (I)	2,606,042	6,907,186	2,473,529
Kishineff (II)	220,858	2,407,761	1,448,626
Leovo	143,869	1,035,664	—
Lipcani	259,130	2,271,917	—
Merkulesti	493,806	2,992,480	—
Novosselitza	466,212	2,456,274	—
Orhei (I)	264,236	1,979,617	603,769
Orhei (II)	473,706	3,845,094	342,919
Petrovka	157,502	1,325,368	149,891
Resina	296,152	2,527,427	—
Romanovka	308,771	2,983,788	—
Sguritza	109,412	484,657	—
Soroka	1,169,482	3,819,567	—
Tarutino	195,739	817,012	—
Telenesti	118,671	2,617,896	—
Vad-Rashkov	160,970	770,079	—
Valia-Lui-Vlad	153,815	973,469	—
Vertujeni	462,676	3,346,676	—
Total	14,500,466	74,763,513	7,409,584

COOPERATIVES IN BESSARABIA

December 31st, 1925

(LEI)

ASSETS

Furniture and Fixtures	Agricultural Machinery	Other Assets	Loss	Total
25,213	—	106,415	—	4,984,467
22,623	104,125	90,226	52,932	981,792
44,725	17,890	98,927	28,663	1,956,071
14,644	—	28,381	—	1,150,701
57,241	263,867	487,858	71,069	6,549,434
72,747	—	83,486	40,921	4,520,360
20,655	—	69,972	—	1,562,415
2,025	24,508	68,923	—	2,927,598
11,653	—	129,882	—	1,729,927
15,221	281,517	207,053	—	2,265,631
35,541	—	28,579	16,827	1,701,582
41,181	—	208,292	—	4,612,186
311,733	—	157,036	—	2,650,616
37,940	—	16,568	—	2,406,662
35,614	17,756	107,756	—	2,432,842
17,946	—	37,647	—	1,213,342
381,355	—	451,681	—	12,819,793
30,254	—	11,004	216,476	4,434,979
31,008	—	32,918	34,047	1,277,506
10,037	—	42,717	—	2,583,801
25,672	224,600	147,996	—	3,884,554
15,215	—	39,360	—	2,977,061
20,945	—	21,735	13,424	2,903,726
32,615	30,772	185,790	24,463	4,935,359
16,900	150,623	58,525	7,181	1,865,990
62,358	26,748	58,624	21,435	2,992,744
21,831	104,253	310,661	—	3,729,304
19,642	—	14,173	-	627,884
37,503	26,566	98,486	—	5,151,604
2,678	—	20,832	—	1,036,261
13,679	194,270	336,781	—	3,281,297
1,073	—	51,783	1,711	985,616
11,671	—	18,398	878	1,158,231
46,281	126,983	105,892	—	4,088,508
1,547,419	1,594,478	4,034,357	530,027	104,379,844

BALANCE SHEET OF THE 34 CREDIT

December 31st, 1925

LIABILITIES (LEI)

Town	Share Capital	Sinking Fund	Reserves and Special Funds
Akerman	348,822	140,545	347,790
Alexandreni	82,910	17,634	25,380
Ataki	170,832	60,785	11,593
Bairamtcha	130,401	37,762	32,616
Balti	525,609	183,903	298,681
Benderi	417,306	121,819	160,578
Bolgrad	167,215	45,849	21,370
Britchani	320,850	38,536	2,642
Britchevo	163,160	55,973	9,955
Dombroveni	90,705	55,227	29,692
Gantchesti	161,268	51,552	33,544
Hotin	384,148	113,154	92,747
Ismail	205,280	79,805	354.854
Kalarasi	263,291	70,630	39,501
Kapresti	175,119	61,832	233,436
Kilia	159,050	42,255	10,998
Kishineff (I)	1,061,821	292,584	373,567
Kishineff (II)	574,787	114,847	300,932
Leovo	147,385	45,489	22,058
Lipkani	318,430	67,645	1,330
Merkulesti	250,490	107,366	153,811
Novosselitza	433,289	87,428	52,158
Orhei (I)	192,760	85,910	169,957
Orhei (II)	324,726	147,642	366,362
Petrovka	88,766	25,250	30,732
Resina	283,846	112,451	93,187
Romanovka	241,336	101,617	95,979
Sguritza	163,630	3,657	1,970
Soroka	358,261	148,096	161,732
Tarutino	101,960	16,423	21,017
Telenesti	188,410	84,920	52,613
Vad-Rashkov	109,586	15,787	—
Valia-Lui-Vlad	94,260	39,127	15,827
Vertujeni	259,487	133,297	113,681
Total	8,959,197	2,806,797	3,732,290

COOPERATIVES IN BESSARABIA

December 31st, 1925

(LEI)

LIABILITIES

Deposits	Credits from Union	Credits from Other Institutions	Other Liabilities	Net Profit	Total
2,892,447	1,087,445	—	164,683	2,735	4,984,467
81,803	740,293	—	33,772	—	981,792
401,702	1,096,606	8,800	205,753	—	1,956,071
235,570	627,931	9,612	64,375	12,434	1,150,701
1,891,931	3,486,303	5,000	158,007	—	6,549,434
1,908,788	1,754,487	21,022	136,360	—	4,520,360
591,541	509,016	—	218,303	9,121	1,562,415
1,197,049	1,268,680	24,323	74,538	980	2,927,598
295,016	1,109,944	4,184	83,267	8,428	1,729,927
165,985	1,797,864	8,500	108,649	9,009	2,265,631
695,961	707,606	—	51,651	—	1,701,582
2,475,563	1,247,148	—	288,840	10,586	4,612,186
996,795	825,572	10,000	154,427	23,883	2,650,616
780,920	1,141,448	5,000	91,514	14,358	2,406,662
619,496	1,260,660	3,550	45,687	33,062	2,432,842
323,124	543,065	17,560	106,782	10,508	1,213,342
7,105,258	3,040,420	525,748	410,412	9,982	12,819,793
1,777,153	1,529,960	—	137,300	—	4,434,979
240,330	782,222	2,002	38,020	—	1,277,506
837,535	1,182,476	—	171,049	5,336	2,583,801
1,090,718	2,157,781	—	102,991	21,397	3,884,554
1,155,531	1,155,396	26,358	62,087	4,814	2,977,061
939,615	1,179,453	274,757	61,274	—	2,903,726
1,180,567	2,714,722	3,889	197,451	—	4,935,359
403,433	1,242,256	—	75,553	—	1,865,990
380,620	2,021,793	9,000	91,847	—	2,992,744
938,620	2,057,378	6,527	260,169	27,678	3,729,304
81,322	212,844	—	161,248	3,213	627,884
1,835,292	2,492,628	—	150,364	5,231	5,151,604
325,788	525,057	10,280	31,862	3,874	1,036,261
437,150	2,384,966	8,388	122,826	2,024	3,281,297
181,938	644,833	—	33,472	—	985,616
131,137	812,158	2,100	63,622	—	1,158,231
1,198,202	2,141,254	—	212,086	30,501	4,088,508
35,793,900	47,481,665	986,600	4,370,241	249,154	104,379,844

BALANCE SHEET OF THE 40 CREDIT

December 31st, 1926

ASSETS (LEI)

Town	Cash on Hand and in Banks	Loans Outstanding	Real Estate
Akerman	1,919,493	4,243,145	582,241
Alexandreni	103,931	1,376,485	—
Ataki	241,843	1,819,003	—
Bairamtcha	206,836	1,151,271	—
Balti	979,337	4,117,835	1,124,458
Benderi	913,593	3,415,592	529,100
Bolgrad	324,869	1,583,292	—
Britchani	722,688	4,008,461	—
Britchevo	215,090	1,159,024	—
Dombroveni	177,018	3,767,581	114,949
Falesti	125,906	761,790	—
Gantchesti	362,582	1,431,945	—
Hotin	555,371	5,214,891	—
Iedinti	4,778	436,480	—
Ismail	1,056,527	1,985,060	—
Kalarasi	723,818	2,493,875	156,310
Kapresti	328,865	2,157,655	172,148
Kausani	186,654	806,010	—
Kilia	315,269	1,161,685	—
Kishineff (I)	2,681,447	7,113,004	2,521,909
Kishineff (II)	463,762	2,959,955	1,449,401
Leovo	210,277	1,664,710	—
Lipkani	280,040	3,754,235	—
Merkulesti	334,993	3,442,378	—
Novosselitza	679,614	3,649,615	—
Orhei (I)	246,132	2,204,154	676,226
Orhei (II)	1,088,537	4,444,474	588,685
Petrovka	329,964	1,829,658	149,891
Resina	502,887	2,759,849	—
Rishkanovka	176,057	1,454,154	—
Romanovka	602,114	3,397,588	—
Sekuriani	214,245	879,557	—
Sguritza	180,036	1,935,027	—
Soroka	1,039,422	4,600,458	—
Tarutino	539,446	1,311,711	—
Tatarbunari	66,073	1,305,200	—
Telenesti	288,999	3,740,984	—
Vad-Rashkov	232,999	1,534,257	—
Valia-Lui-Vlad	154,027	814,248	—
Vertujeni	276,052	5,866,242	—
Total	20,051,591	103,752,538	8,065,318

COOPERATIVES IN BESSARABIA

December 31st, 1926

(LEI)

ASSETS

Furniture and Fixtures	Agricultural Machinery	Other Assets	Loss	Total
27,013	—	336,958	—	7,108,850
23,803	125,044	108,357	27,093	1,764,713
50,779	16,470	62,889	—	2,190,984
17,691	—	31,227	—	1,407,025
78,391	221,044	344,768	118,663	6,984,496
70,977	—	83,544	93,594	5,106,400
25,455	—	47,763	—	1,981,379
22,719	20,779	115,246	—	4,889,893
18,007	—	34,078	31,799	1,457,998
17,131	274,288	88,596	—	4,439,563
22,280	—	29,305	16,615	955,896
36,203	—	38,496	49,299	1,918,525
46,723	—	78,405	—	5,895,390
6,965	—	—	38,811	487,034
315,877	—	177,313	—	3,534,777
39,940	—	38,398	—	3,452,341
70,235	15,617	48,269	—	2,792,789
34,900	—	57,091	—	1,084,655
17,896	—	45,735	—	1,540,585
468,632	—	361,563	372,528	13,519,083
27,254	—	289,371	39,604	5,229,347
33,301	25,686	90,014	24,585	2,048,573
24,826	—	28,003	—	4,087,104
27,675	224,600	106,130	—	4,135,776
28,293	—	69,895	17,135	4,444,552
21,188	—	60,299	2,694	3,210,693
60,582	27,466	361,624	38,077	6,609,445
16,900	135,328	130,384	—	2,592,125
59,394	25,678	52,516	—	3,400,324
28,183	—	31,124	—	1,689,518
24,208	92,967	132,953	—	4,249,830
5,503	—	53,480	24,732	1,177,517
28,097	29,070	82,845	—	2,255,075
53,360	25,601	83,900	—	5,802,741
8,408	—	29,528	—	1,889,093
26,299	—	20,600	—	1,418,172
19,798	194,303	114,584	—	4,358,668
2,483	—	41,302	—	1,811,041
11,671	—	20,409	—	1,000,355
49,276	128,341	142,045	—	6,461,956
1,968,316	1,582,282	4,069,007	895,229	140,384,281

BALANCE SHEET OF THE 40 CREDIT

December 31st, 1926

LIABILITIES (LEI)

Town	Share Capital	Sinking Fund	Reserves and Special Funds	Deposits
Akerman	496,779	223,937	503,224	4,407,129
Alexandreni	65,606	33,461	26,230	58,144
Ataki	180,687	91,604	17,833	640,992
Bairamtcha	165,461	60,762	93,001	268,653
Balti	542,144	268,007	455,427	2,109,720
Benderi	425,401	187,684	147,428	2,266,336
Bolgrad	214,398	76,219	101,871	821,411
Britchani	401,750	95,651	66,515	2,760,331
Britchevo	169,390	79,871	22,630	211,555
Dombroveni	93,836	84,620	59,649	189,541
Falesti	117,395	6,434	1,041	196,231
Gantchesti	162,543	80,955	64,893	698,027
Hotin	510,020	195,610	142,509	3,729,011
Iedinti	113,305	2,099	—	48,945
Ismail	245,637	117,663	411,868	1,807,849
Kalarasi	322,586	115,805	43,856	1,143,885
Kapresti	177,094	93,412	319,954	642,845
Kausani	104,030	7,230	7,403	145,386
Kilia	179,280	60,044	48,065	456,103
Kishineff (I)	1,154,886	424,552	584,905	7,382,814
Kishineff (II)	615,271	171,926	451,515	1,794,514
Leovo	173,357	69,038	56,636	535,471
Lipkani	488,460	126,892	57,392	1,378,715
Merkulesti	261,320	161,975	252,583	931,068
Novosselitza	566,037	145,396	118,032	1,693,043
Orhei (I)	186,801	130,406	196,248	1,036,901
Orhei (II)	409,022	228,030	771,876	2,011,052
Petrovka	114,371	51,522	96,807	625,756
Resina	307,135	162,565	117,711	519,858
Rishkanovka	171,858	14,414	9,557	338,516
Romanovka	289,796	162,571	206,111	1,189,581
Sekuriani	126,740	10,082	21,800	288,825
Sguritza	264,860	20,677	36,480	194,831
Soroka	404,880	236,534	230,822	1,976,151
Tarutino	147,837	37,828	67,589	731,693
Tatarbunari	109,240	12,658	1,315	565,512
Telenesti	210,750	141,378	57,349	495,536
Vad-Rashkov	154,375	39,684	41,589	348,686
Valia-Lui-Vlad	97,910	56,247	15,652	175,871
Vertujeni	256,760	214,308	215,695	1,399,055
Total	11,199,008	4,499,751	6,141,061	48,215,543

COOPERATIVES IN BESSARABIA

December 31st, 1926

(LEI)

LIABILITIES

Credits from Union	Credits from Other Institutions	Correspondents	Other Liabilities	Net Profit	Total
1,264,854	—	—	201,814	11,113	7,108,850
1,565,331	—	—	15,941	—	1,764,713
1,056,281	8,800	—	194,162	625	2,190,984
708,278	10,372	8,982	86,283	5,233	1,407,025
3,422,562	5,000	30,250	151,386	—	6,984,496
1,919,623	21,022	—	138,906	—	5,106,400
703,109	—	96	64,275	—	1,981,379
1,430,249	—	4,505	129,149	1,743	4,889,893
914,110	4,481	8,730	47,528	—	1,457,998
3,931,237	4,500	—	62,096	14,111	4,439,563
621,167	—	109	13,519	—	955,896
844,135	—	11,600	56,372	—	1,918,525
1,163,797	—	29	151,854	2,560	5,895,390
308,898	—	—	13,787	—	487,034
746,119	10,900	—	152,675	42,066	3,534,777
1,570,507	5,000	64	177,801	72,837	3,452,341
1,490,501	3,550	—	64,886	547	2,792,789
665,017	—	101,001	35,152	19,436	1,084,655
680,973	17,560	13,420	78,154	6,986	1,540,585
3,497,222	—	—	474,704	—	13,519,083
2,035,470	—	—	160,651	—	5,229,347
1,154,716	2,002	110	57,243	—	2,048,573
1,861,195	—	59,638	104,332	10,480	4,087,104
2,396,155	—	20,763	77,336	34,576	4,135,776
1,807,625	26,358	—	88,061	—	4,444,552
1,192,837	370,063	30,611	66,826	—	3,210,693
3,050,245	3,889	—	135,331	—	6,609,445
1,618,911	—	—	83,693	1,065	2,592,125
2,028,327	9,000	166,950	72,215	16,563	3,400,324
1,087,006	—	21,830	44,428	1,909	1,689,518
2,082,321	6,527	147,426	127,487	38,010	4,249,830
681,152	—	—	48,918	—	1,177,517
1,602,748	—	28,945	73,664	32,870	2,255,075
2,681,190	—	—	268,775	4,389	5,802,741
820,403	10,280	—	50,177	23,286	1,889,093
688,029	—	—	40,775	643	1,418,172
3,303,179	8,388	—	141,992	96	4,358,668
1,162,255	—	14,015	49,955	482	1,811,041
626,474	2,100	—	25,591	510	1,000,355
3,950,921	—	171,363	235,817	18,037	6,461,956
64,335,129	529,495	840,437	4,263,684	360,173	140,384,281

BUKOVINA

From the very beginning, the activity of the J. D. C. in Bukovina was concentrated on housing reconstruction, because that territory was the scene of hostilities during the entire course of the war and thousands and thousands of houses were destroyed. Thus, the J. D. C., while relief work was still being carried on, concentrated the bulk of its activity on the rebuilding of the destroyed homes of the Jewish population in the towns.

The statistics on the number of Jews in Bukovina are not very reliable, and it is difficult to say how large the post-war Jewish population actually is. According to the census of 1910, the total population of Bukovina was 800,098, of whom 102,919 were Jews. According to the official statistics for 1919, the total population was 811,721, of whom 38 % were Roumanians, 34 % Ruthenians, and 22.09 % Jews. This would make the number of Jews 179,309, an increase of 76,390 over 1910, which is certainly exaggerated. The increase in the Jewish population between 1900 and 1910 was 6,769. If we accept the Roumanian statistics, according to which the general increase in the population between 1910 and 1919 amounted to about 11,000 and that of the Jews to over 76,000, then the rest of the population registered a quite unintelligible decrease of 65,000 souls, or 9 %.

The Jewish community of Czernowitz, which includes the city and its immediate environs, estimates the number of its members at 70,000, which represents an increase of 30,000 as compared to 1910. In this instance, however, it must be remembered that the growth of this particular city has been obvious and considerable. In other places no important changes have occurred since 1910.

The percentage of Jews in the total population in the various centres of Bukovina is approximately as follows:

Bojan	35 %	Sadagora	80 %
Czernowitz	40 %	Sereth	40 %
Dornawatra	20 %	Storozynetz	40 %
Gurahumora	40 %	Suczawa	40 %
Kimpolung	20 %	Waskautz	15 %
Kotzman	15 %	Wisnitz	95 %
Radautz	40 %	Zastawa	10 %

Probably 75 % of all the Bukovina Jews live in the cities, and they constitute about 40 % of the total urban population. In Radautz there are over 5,000 Jewish inhabitants. The predominantly Jewish towns of Wisnitz and Sadagora have a total population of no more than 5,000 each. The fact that so many Jews are concentrated in the cities is explained, here as elsewhere, by the nature of their occupations.

During the 19th century there were many changes in this respect. Under the early Austrian governments, many Jews immigrated from Poland, attracted by the concessions in taxation and military service which Austria granted to the Jews of Bukovina, and by the higher culture and greater security offered. The number of really poor Jews, then and later, was small. Their chief source of livelihood was not money lending, but trading in cattle and agricultural products, as well as in mercantile lines, with the neighbouring Russian provinces and with Moldavia and Transylvania.

The sale of alcoholic beverages, which was one of the chief occupations of the Galician and Polish Jews, was strictly prohibited to them in Bukovina. Steps were taken to educate the Jewish inhabitants as tradesmen and artisans, and sometimes land was granted them. The rich Jews bought land and in 1910 one-third of all large estates belonged to Jews. They also rented a large part of the remaining land, so that at the outbreak of the war only 15 per cent of the larger estates in Bukovina were in the hands of Christians. The rest were cultivated by Jews as owners or lessees.

Only those Jews who could show sufficient capital were allowed to participate in trade. In this way an excellent foundation was laid for a strong Jewish merchant class.

Jewish participation in intellectual pursuits was also very considerable. In 1914, for instance, there were in Bukovina 173 physicians, of whom 114 were Jews, and 225 lawyers, of whom 194 were Jews. Under the Austrian regime many Jews were in the service of the government. They were regarded as able, devoted workers, and as an element supporting the state and contributing towards the strengthening of German culture in the province. It was generally assumed that 15 per cent of all offices in the government were filled by Jews, but this figure was often exceeded.

The position of Jews in inferior government offices, where they were accepted without limitation, was even more favorable. Approximately 30 per cent of all office holders were Jews.

Before the war, therefore, the great majority of Jews earned their living by trade, industry, handicraft, intellectual labor, as owners and cultivators of landed estates, and, to a very small extent, as agricultural laborers.

Since Bukovina was at that time under a military regime, persons not engaged in trade, agriculture, the handicrafts, or other useful pursuits, were sent out of the country. Only productive Jews remained and were granted tax and other concessions.

These favorable conditions were completely reversed during the world war, for Jewish property was naturally an object of plunder. Bukovina, as the most easterly province of Austria, was the neighbor of Russia. As early as September, 1914, the first Russian invasion took place, much to the distress of all the inhabitants, and especially of the Jews, whose fear of the Russians was traditional and based on bitter experience.

Even in the summer of 1914 the Jews began to leave. While the more prosperous Jews and the families of officials moved to the western part of the empire, mostly to Vienna and Prague, without asking for or receiving state or private assistance, and led the far from enviable existence of war refugees, the poorer sections of the population fled from the north to the south of Bukovina in the hope of soon returning to their homes. These expectations were never fulfilled. In fact, Southern Bukovina soon fell into the hands of the Russians and a precipitous flight of the Jews ensued.

Immediately after the armistice many of the refugees returned, but they found no haven and were forced to live in cellars and caves. The prosperous years of the past were gone.

State help for reconstruction, which might have been expected from the Austrians, was not available after the Austrian collapse. Roumania, as the successor of the Dual Monarchy, did not carry out its duties to any part of the population, and least of all to the Jews.

According to statistics gathered in Bukovina, the destruction and damage of Jewish homes in the theatre of war was as follows:

Place	Totally Destroyed	Partly Destroyed	Total
Wisnitz	662	443	1,105
Sadagora	444	127	571
Waskautz	199	309	508
Kotzman	103	236	339
Sereth	199	139	338
Putilla	135	199	334
Storozynetz	93	189	282
Bojan	257	2	259
Stanestic	44	185	229
Radautz	95	130	225
Seletin	99	97	196
Gurahumora and Kimpolung	67	102	169
Total	2,397	2,158	4,555

If we add the war damages in the districts of Czernowitz, Suczawa and Dornawatra, concerning which no definite data is available, we find that between 5,000 and 6,000 Jewish homes were destroyed or damaged in Bukovina.

The cost of restoring the Jewish homes was originally estimated at about $4,000,000. During the first period, in 1919 and 1920, the J. D. C. limited its work to offering direct help by grants of small amounts. Later the work was systematized and various departments organized, which worked in special fields. The J. D. C. did its most important work in the sphere of economic reconstruction. From the very beginning, long-term loans, to be repaid in 100 monthly instalments, were given to the needy. In this manner, and while relief was still going on, 3,000 merchants and artisans received loans of between 1,500 and 10,000 crowns.

It soon became clear to the J. D. C. that the work of economic reconstruction could not be successfully handled by a committee which regarded philanthropic activity as its chief function. After the first distress had disappeared, it was necessary, if permanent good was to be achieved, to create lasting institutions to develop and further productive activity with a view towards the rehabilitation of Jewish economic life. Accordingly, the Reconstruction Company for the Jewish Population of Bukovina was organized.

The J. D. C. commenced its activities in Bukovina during a period of dire need. The funds from America were used to alleviate distress in all districts and were largely put to non-productive, charitable purposes. Rehabilitation, however, cannot be achieved through relief measures or by small loans, especially when housing reconstruction has not yet begun. On the other hand, applicants to the J. D. C. were not accustomed to regard the J. D. C. as a creditor who does not give money, but who merely lends it and insists on its repayment. The proposed new institution was accordingly conceived as one which would engage in systematic reconstruction work, be a legal person, and train applicants to the J. D. C. to a different understanding. It was not intended, however, to withdraw assistance from those who needed it most — the war sufferers. This new institution, of course, was not to be a purely business undertaking, but social and public in character.

The organization meeting of the institution took place on August 18th, 1920, and it was definitely decided to found it on a cooperative basis. The charter stated that the purpose would be the granting of credit for personal and material reconstruction to Jews who had suffered through the war. The principle was adopted that loans were to be given for very long periods — up to 15 years — and that the payment of interest would be required. The interest rate, however, was to be low, but not so low as to permit the borrower to think that the loan was not a serious business affair. The interest was to be used for the creation of a reserve fund.

The board of directors elected at this organization meeting consisted of an executive committee of 24, and a supervisory committee of 12. The management was composed of nine members of the executive committee; and on these committees the various groups of the population were equally represented. This procedure was justified by the fact that the new institution would be a quasi-charitable undertaking, and that the funds with which it operated had been contributed by all sections of American Jewry.

The J. D. C. took over 51 per cent of the cooperatives' shares, and it was therefore in a position to make its influence felt in the management.

The institution frequently changed the principle of its activities. Thus, whereas in the beginning the need of the applicant for assistance was given primary consideration and his capacity to pay only secondary thought, it was later demanded that all loans be covered by collateral. Furthermore, interest, which was at first fixed as low as possible, was later gradually increased until the income from interest payments covered all the administrative costs, which had theretofore been taken care of by the J. D. C.

The first money at the disposal of the new company was received from the J. D. C. — $100,000 for housing, and $30,000 for personal rehabilitation purposes. In July, 1922, an additional $10,000 was allocated and paid out to the institution in instalments.

In 1924 it was decided to establish independent cooperatives in eight or ten towns throughout the province. The Reconstruction Company, known as the WAG (Wiederaufbaugesellschaft), while continuing as a credit cooperative for Czernowitz, was to assume the role of a central cooperative for the provincial kassas as well. The Reconstruction Company would still grant loans in regions where there were no cooperatives.

The Foundation appropriated another $25,000 to take care of the requests for reconstruction loans and of the organization of cooperatives in the province in 1924-25. A smaller special subvention was made to popularize the idea of cooperation.

Unfortunately, the society did not fully succeed in performing its task. Apart from the establishment of three cooperatives, in Dornawatra, Suczawa and Sereth, the movement did not spread over the country. Instead of using a large part of the new credit of $25,000 for the financing of new cooperatives, nearly the entire credit was employed for new housing reconstruction loans. In 1926 only one new cooperative was founded — in Radautz. The legal requirements regarding the establishment of this kassa were very difficult and the charter has not yet been confirmed.

Although it must be admitted that the economic situation in Bukovina was very trying and the complete change in the position of the Jewish population required

unusual activity, yet we feel that the local Jewish population, and especially the leading circles, did not show the proper satisfactory initiative for the furtherance of the cooperative movement. This situation caused us to invite the leading personalities to a conference for the purpose of discussing again the necessity of transforming the Reconstruction Company in Czernowitz into a cooperative organization for Bukovina and spreading the movement over the whole district. We were obliged to put the question in the form of an ultimatum — whether the Company should be reorganized or liquidated.

We are, however, glad to report that our plan of reorganization was definitely accepted by the directors of the Company. A thorough investigation of the situation of the society has meanwhile been made.

The plan of reorganization has been described above. It was also decided that the central be directed by persons elected by the General Assembly, and not appointed, as up to now, by the various political factions. The general supervision and control will be in the hands of the central organization in Czernowitz.

In order to put this reorganization plan into effect, corresponding decisions must be adopted by the General Assembly, which meets in May or June, 1927. There is, however, no doubt that we will have to participate in the realization of these plans, not only financially, but especially by means of instruction and supervision.

The activities of the Reconstruction Company may be judged from the following figures:

Housing Reconstruction Loans Approved by the WAG.

Year	Total in Lei	No. of Loans	Average Loan
1921 . . .	5,469,645	483	11,324
1922 . . .	9,004,600	640	14,070
1923 . . .	10,200,000	402	25,373
1924 . . .	5,816,000	233	24,961
1925 . . .	1,795,000	70	25,643
1926 . . .	—	—	—
Total	32,285,245	1,828	17,662

These 1,828 loans were approved for 19 devastated localities.

Personal Loans.

Year	Total in Lei	No. of Loans	Average Loan
1921 . . .	3,052,515	743	4,108
1922 . . .	2,321,400	392	5,922
1923 . . .	11,565,800	769	15,040
1924 . . .	5,510,700	629	8,761
1925 . . .	15,139,600	1,512	10,013
1926 . . .	19,777,000	1,829	10,813
Total	57,367,015	5,874	9,766

Principal Items of the Balance Sheet of the Reconstruction Company.

(Lei)

	1921	1922	1923	1924	1925	1926
Share Capital . .	425,500	592,400	1,227,400	1,497,200	2,310,300	2,747,100
Reserves	—	—	152,084	239,788	479,863	568,278
Total Own Funds	425,500	592,400	1,379,484	1,736,988	2,790,163	3,315,378
Profit	15,937	10,302	—	264,640	366,639	413,215
Loss	—	—	251,350	—	—	—
J. D. C. & Foundation Credits . .	10,253,638	18,731,378	28,540,131	28,192,463	32,180,574	32,216,117
Loans Outstanding	5,681,939	12,744,785	28,744,598	29,052,486	34,343,606	35,096,989
Personal	2,251,825	3,683,378	10,615,967	7,962,448	12,465,139	15,435,209
Housing	3,430,114	9,061,407	18,128,631	21,090,038	21,878,467	19,661,780

(Dollars)

	1921	1922	1923	1924	1925	1926
Share Capital	$6,079	$3,726	$6,327	$7,339	$10,746	$14,458
Reserves	—	—	784	1,175	2,232	2,991
Total Own Funds	6,079	3,726	7,111	8,514	12,978	17,449
Profit	228	65	—	1,297	1,705	2,175
Loss	—	—	1,296	—	—	—
J. D. C. & Foundation Credits	146,481	117,807	147,114	138,198	149,677	169,559
Loans Outstanding . . .	81,170	80,156	148,168	142,415	159,737	184,721
Personal	32,169	23,166	54,721	39,032	57,977	81,238
Housing	49,001	56,990	93,447	103,383	101,760	103,483

In view of the fact that the Reconstruction Company was a limited company, all borrowers had to own shares of 100 lei each, but these did not have to amount to more than 3 per cent of the credit granted. It should be recalled that fifty-one per cent of all shares were held by the Foundation.

Up to 1926 we believed it preferable to have at our disposal more than half of the total share capital. In 1926, however, we gave up part of our holdings in order to increase local interest and initiative in the development of the society. At present our part of the share capital amounts to about 40 per cent.

In 1921, 1922 and 1923, the total number of shares bought by the Foundation were 2,650. In 1924 they aggregated 2,952, while in 1925 their number was 3,658.

While the difficulties in establishing a sound cooperative movement in Bukovina are quite serious, as will be seen from the above remarks, we are nevertheless of the opinion that by a slow but continuous participation of the local Jewish population, especially of the middle class elements, the basis for the development of a strong movement will be found. The splendid results which the Jewish cooperative movement showed in the neighboring districts of Bessarabia and Old Roumania, and even recently in Transylvania, will certainly stimulate the activity of the Jewish population in Bukovina.

Balance Sheet of the Wiederaufbaugesellschaft für die jüdische Bevölkerung der Bukowina, Czernowitz, December 31st, 1925.

(Lei)

Assets			Liabilities		
Cash on Hand		333,911.03	Share Capital		2,310,300.00
Cash in Banks		339,140.00	General Reserve		52,928.00
Loans Outstanding			Special Reserve		334,680.10
a) Personal Loans Secured by Notes	7,066,681.00		Reserve for Bad Debts		20,000.00
b) Personal Loans Secured by Obligations	5,398,458.56		Debt to Foundation		
c) Housing Loans	21,878,467.24	34,343,606.80	a) For Credits Received	32,180,573.70	
Sundry Debtors		252,506.00	b) Other Debts	218,772.59	32,399,346.29
Real Estate		683,880.00	Sundry Creditors		88,755.65
Furniture and Fixtures		127,000.00	Subventions Received		525,949.00
Sewing Machines		87,324.92	Pension Fund		72,255.40
Suspense Account		33,625.31	Unclaimed 1924 Dividend		30,140.00
			Net Profit		366,639.62
		36,200,994.06			36,200,994.06

Profit and Loss Account, December 31st, 1925.

(Lei)

Debit		Credit	
Administrative Expenses	1,669,247.55	Balance Net Profit Brought Forward	9,364.00
Taxes Paid	73,874.64	Interest Income	1,883,213.51
Bad Debts Written Off	3,000.00	Commissions Earned	221,632.18
Contribution to Pension Fund	18,627.70	Sewing Machines Sold	3,900.00
Depreciation of Real Estate	75,989.94	Barracks in Wiznitz	448.50
Depreciation of Furniture and Fixtures	14,146.00	Revenue from Real Estate	102,737.26
Net Profit	366,639.62	Collected on a/c of Bad Debts Formerly Written Off	230.00
	2,221,525.45		2,221,525.45

Balance Sheet
of the Wiederaufbaugesellschaft für die jüdische Bevölkerung der Bukowina, Czernowitz, December 31st, 1926

(Lei)

Assets			Liabilities		
Cash on Hand		501,920.01	Share Capital		2,747,100.00
Cash in Banks		23,910.00	General Reserve		126,256.00
Credits Outstanding			Special Reserve		392,021.89
a) Credits Granted to Cooperatives	1,229,076.00		Reserve for Bad Debts		50,000.00
b) Loans Granted to Individuals			Deposits		624,639.88
1. Personal Loans Secured by Notes	10,116,210.00		Current Accounts		515,022.31
2. Personal Loans Secured by Obligations	5,318,998.86		Debt to Foundation		
3. Housing Loans	19,661,779.70		a) For Credits Received	32,216,116.88	
		35,096,988.56	b) Other Debts	181,258.58	32,397,375.46
			Subventions Received		315,749.00
			Pension Fund		193,743.04
			Unclaimed 1924 and 1925 Dividends		66,955.00
			Net Profit		413,214.73
Sundry Debtors		196,250.00			
Real Estate		613,880.00			
Furniture and Fixtures		103,500.00			
Sewing Machines		49,367.14			
Suspense Account		27,185.60			
		37,842,077.31			37,842,077.31

Profit and Loss Account, December 31st, 1926

(Lei)

Debit		Credit	
Administrative Expenses	1,750,081.67	Balance Net Profit Brought Forward	5,563.62
Taxes Paid	291,213.25	Interest Income	2,350,404.90
Bad Debts Written Off	34,517.67	Commissions Earned	210,611.32
Contribution to Pension Fund	35,743.82	Revenue from Real Estate	88,486.30
Depreciation of Real Estate	70,000.00		
Depreciation of Furniture and Fixtures	25,895.00		
Sundry Expenses	34,400.00		
Net Profit	413,214.73		
	2,655,066.14		2,655,066.14

TRANSYLVANIA

Soon after the organization of the Foundation, the question of the possibility of starting the cooperative movement among the Jews in Transylvania arose, and a delegation of Jewish leaders was invited to discuss this difficult problem. It was necessary to take the matter up with these representative Jews, because, when the question had previously been broached by the Reconstruction Department of the J. D. C., the impression had gained ground that a large Jewish financial institution was contemplated, which certainly would not conform to the principles and possibilities of the Foundation. We succeeded in changing this conception, but we were nevertheless forced to allow the organization of the cooperatives in the form of stock companies, because Transylvania is still under the Hungarian code of laws. In actual practice, however, these institutions took the character of social and cooperative institutions.

After much effort we succeeded in establishing and legalizing one such cooperative in Marmarosch-Sighet (Sighetul-Marmatiei), which was to grant credits for the entire Marmarosch district, where some 60,000 Jews live.

At the end of 1925, and during the course of the year 1926, the following kassas were formed: Cluj, Satmar (Satu-Mare), and Oradea Mare, which are now in full activity. Besides these, there are six others about to be opened. One of them, in Bistritz, a centre of orthodox Jewry, is already legalized. The others are Dej, Baia Mare, Carea Mare, Turgu-Mures and Lepusul Unguresc. In spite of the fact that the kassas in Transylvania have only been founded recently, their development is very satisfactory, and their benefit to the Jewish population can scarcely be overestimated.

The occupational division of the shareholders of the four kassas is as follows:

	Cluj		Oradea Mare		Satmar		Sighetul-Marmatiei	
Occupation	No.	Shares	No.	Shares	No.	Shares	No.	Shares
Artisans	146	559	173	1,067	141	637	285	1,093
Petty Merchants	187	632	341	1,863	205	972	916	3,489
Farmers	3	15	3	33	6	24	261	1,424
Merchants & Industrialists	22	642	14	560	76	675	157	2,052
Employees	28	74	49	303	19	46	61	350
Professionals	26	247	30	305	16	23	64	353
Miscellaneous	50	331	50	161	78	123	241	994
Total	462	2,500	660	4,292	541	2,500	1,985	9,755

It is noteworthy that out of a share capital of two million lei of the Sighet kassa (about $10,500 at the rate of December 31st, 1926) over 1,000,000 lei have already been paid in. The share capital of the kassa in Cluj, which amounted to 500,000 lei, was fully paid in, and a second issue decided upon. The authorized share capital of the kassa in Oradea Mare amounts to one million lei, and of that in Satmar, 500,000 lei. The share capital of these kassas, however, has not yet been fully paid.

The distribution of the loans issued by the four credit cooperatives in Transyl
of the loans, (III) the terms of the loans and (IV)

I

Occupation	CLUJ		ORADEA-MARE	
	Number	Amount	Number	Amount
Artisans	197	1,772,260.00	96	774,219.00
Petty Traders	200	1,689,568.00	92	832,935.00
Agriculturists	3	27,500.00	—	—
Employees	—	—	—	—
Professionals	—	—	—	—
Other Occupations	64	482,040.00	40	337,665.00
Total	464	3,971,360.00	228	1,944,819.00

II

Town	1000—3000	3001—5000	5001—7000	7001—9000
Cluj	40	37	48	173
Oradea-Mare	20	38	25	30
Satu-Mare	9	15	16	21
Sighet	247	509	425	407
Total	316	599	514	631

III

Term of Loan	CLUJ		ORADEA-MARE	
	Number	Amount	Number	Amount
Up to 1 Month	6	52,900.00	1	15,000.00
„ „ 2 Months	9	81,000.00	14	69,036.00
„ „ 3 „	126	1,143,260.00	82	738,848.00
„ „ 4 „	168	1,370,200.00	65	541,735.00
„ „ 5 „	99	886,220.00	60	542,000.00
„ „ 6 „	56	437,780.00	6	38,200.00
Total	464	3,971,360.00	228	1,944,819.00

IV

Method of Repayment of Loan	CLUJ		ORADEA-MARE	
	Number	Amount	Number	Amount
In Weekly Instalments	211	1,806,520.00	89	708,148.00
„ Semi-Monthly Instalments	28	276,500.00	23	177,400.00
„ Monthly „	225	1,888,340.00	116	1,059,271.00
„ One Payment	—	—	—	—
Total	464	3,971,360.00	228	1,944,819.00

vania in 1926, according to (I) the occupations of the borrowers, (II) the size the method of repayment, is as follows:

I

SATU-MARE		SIGHET		TOTAL	
Number	Amount	Number	Amount	Number	Amount
43	313,800.00	413	2,718,236.00	749	5,578,515.00
86	733,000.00	1364	9,889,649.00	1742	13,145,144.00
—	—	249	1,727,836.00	252	1,755,336.00
—	—	60	454,400.00	60	454,400.00
3	25,000.00	24	227,100.00	27	252,100.00
4	35,000.00	108	674,710.00	216	1,529,415.00
136	1,106,800.00	2218	15,691,931.00	3046	22,714,910 00

II

9001—10 000	10 001—12 000	12 001—13 000	13 001—14 000	14 001—15 000	Total Number
54	66	14	2	30	464
66	20	—	4	25	228
70	5	—	—	—	136
493	39	16	6	76	2218
683	130	30	12	131	3046

III

SATU-MARE		SIGHET		TOTAL	
Number	Amount	Number	Amount	Number	Amount
4	29,000.00	392	2,656,479.00	403	2,753,379.00
2	10,500.00	588	3,280,900.00	613	3,441,436.00
12	83,000.00	1237	9,751,552.00	1457	11,716,660.00
11	97,000.00	—	—	244	2,008,935.00
51	409,500.00	1	3,000.00	211	1,840,720.00
56	477,800.00	—	—	118	953,780.00
136	1,106,800.00	2218	15,691,931.00	3046	22,714,910.00

IV

SATU-MARE		SIGHET		TOTAL	
Number	Amount	Number	Amount	Number	Amount
19	158,300.00	—	—	319	2,672,968.00
7	42,000.00	—	—	58	495,900.00
106	877,500.00	—	—	447	3,825,111.00
4	29,000.00	2218	15,691,931.00	2222	15,720,931.00
136	1,106,800.00	2218	15,691,931.00	3046	22,714,910.00

The following are the principal items in the balance sheets of the four cooperatives in Transylvania on December 31st, 1926:

	Lei	Dollars
Paid-up Capital .	2,987,642	$15,724
Reserves	22,345	118
Deposits	493,345	2,597
Total Local Funds	3,503,332	18,439
Net Profit	151,598	798
Loss	12,585	66
Foundation Credits	5,176,907	27,247
Loans Outstanding	7,809,844	41,104

The interest on loans in Cluj amounts to 16 %, including one per cent for special reserve; in Oradea Mare, 18 %; in Satu Mare, 15 %; and in Sighet, 15 % for small credits up to 7,000 lei, and 17½ % on loans of more than 7,000 lei. Repayments are being made punctually. Arrears amount only to 2 or 3 per cent at the most. Loans are granted for a period of three months. Repayments, however, amount to only 25 %, the balance being extended for another three months. This particular procedure is due to the special conditions of the country, which demand a more extended credit than three months. The present situation shows a great improvement in comparison with what went on previously. For instance, in Sighet loans were granted for one year, and no repayments were received before the expiration of that time.

The splendid results of the savings deposits campaign of the Bessarabian and Roumanian kassas induced us to introduce this particular phase in Transylvania also. By the end of the year 1926 considerable results had been achieved in Cluj. The bank in Sighet was to commence receiving savings deposits only in 1927. As may be learned from the above statistical tables, the development of the kassas is satisfactory, if one considers the comparatively short time of their existence. The benefits which the local Jewish population has gained from them is invaluable. Our credits for these kassas were comparatively small, amounting to about $27,000 during the year 1926 out of a total appropriation of $30,000. It must be taken into account that this work was performed in a country where the cooperative movement was previously unknown to the Jewish masses or the leading personalities. The results, however, portray the extraordinary goodwill and devotion of the local population.

TABLE

BALANCE SHEET OF THE 4 CREDIT

ASSETS

December 31st, 1926

(L E I)

Town	Cash on Hand	Cash in Banks	Loans Outstanding
Cluj	139,181.00	147,684.00	1,645,568.00
Oradea-Mare	61,218.00	130,710.00	1,358,013.00
Satu-Mare	11,021.00	159,032.33	818,147.00
Sighetul-Marmatiei	116,909.00	—	3,988,116.00
	328,329.00	437,426.33	7,809,844.00

LIABILITIES

Town	Share Capital	Reserves	Deposits and Current Acts.	Debts to Foundation
Cluj	500,000.00	20,980.00	215,212.50	1,193,240.00
Oradea-Mare	587,237.00	1,365.00	8,790.00	972,604.00
Satu-Mare	277,950.00	—	3,674.00	732,834.00
Sighetul-Marmatiei	1,622,455.00	—	265,668.78	2,278,229.36
	2,987,642.00	22,345.00	493,345.28	5,176,907.36

COOPERATIVES IN TRANSYLVANIA

December 31st, 1926

(LEI)

ASSETS

Sundry Debtors	Furniture and Fixtures	Administration Expenses	Suspense Account	Loss	Total
—	47,745.00	—	—	—	1,980,178.00
—	56,918.00	125,674.00	7,780.00	—	1,740,313.00
250.00	33,913.00	—	—	12,585.01	1,034,948.34
271,760.74	42,727.00	—	1,140.00	—	4,420,652.74
272,010.74	181,303.00	125,674.00	8,920.00	12,585.01	9,176,092.08

LIABILITIES

Other Liabilities	Earnings	Interest Received in Advance	Suspense Account	Net Profit	Total
20,069.06	—	—	25,944.53	4,731.91	1,980,178.00
36,171.00	63,520.00	47,460.00	23,166.00	—	1,740,313.00
20,490.34	—	—	—	—	1,034,948.34
78,674.00	—	—	28,760.00	146,865.60	4,420,652.74
155,404.40	63,520.00	47,460.00	77,870.53	151,597.51	9,176,092.08

TURKEY

GENERAL OBSERVATIONS.

When the Joint Distribution Committee commenced its activities for the alleviation of the lot of the Jews who had suffered from the war, it could not fail to give attention to the Jewish population of Turkey, and particularly of Constantinople.

The position of the 80,000 Jews of Constantinople, which, as a result of the Balkan Wars and revolutions, had become far from enviable even before the World War, took a sharp turn for the worse in consequence of the conflict of 1914—1918.

The important commercial role which the harbor of Constantinople had played was brought to a sudden end by the closing of the Dardanelles. The situation became worse after the Armistice, when the allied troops occupied the city. The complete collapse of the Russian grain trade spelled ruin. The Greco-Turkish War contributed still further towards the decline of Constantinople, and it practically lost its significance as an important trading centre. The small Jewish merchant suffered as a result of these changes, and his position certainly did not improve when Constantinople was evacuated by the Allies and occupied by the Turkish National Army.

The effect of the new economic conditions is that Jews are barred from numerous occupations. Things have come to such a pass that there are no Jewish laborers or porters at the railroad stations or on the docks. Every day Jewish workers, employed in the few factories which still take them, are discharged by order of the government; while in offices care is exercised that at least 75 per cent of the staff are Mohammedans.

As far as possible the non-Mohammedan population, including the Jews, try to escape from the situation by emigration, the possibilities of which, however, are very limited.

In view of this situation, the J. D. C., after it had wound up its general relief activities, took the initiative in establishing a loan kassa for the Jewish population of the city. At first it was extremely difficult to convince the Jews of Constantinople, not only of the necessity, but also of the possibility of such a kassa, and to make them understand the plan and idea of such an institution. After much discussion and negotiation, interest in the kassa was finally aroused. Accordingly, and in view of the fact that there is no cooperative law in Constantinople, a credit kassa in the form of a stock company with bearer shares was organized on April 16th, 1923, which, however, commenced its activities only in September of that year. In order to comply with the J. D. C.'s condition that share capital amounting

to 30,000 Pounds be subscribed by the local community, 18,258 shares, at one Turkish Pound each, were subscribed by the following groups:

B'nai B'rith	5,000
Italian Community	3,000
Grand Rabbinate	2,500
Lazare Franco & Son	1,800
Galata Community	1,500
Private Group	1,500
Adrianople Section	1,000
Ashkenazic Community	500
Relief Union	300
Haskeuy Community	255
Balat Community	220
Women's Committee	200
Ortakeuy Community	200
Haidar Pasha Community	100
Sirkesji Community	50
Rofe Cholim	50
Ashkenazic Women's Committee	50
Yeni Keuy Community	15
Yedi Coule Community	13
Cousceundjouk Committee	5
Total	18,258

Of the balance, 2210 shares were subscribed by borrowers and 9,532 by others.

ACTIVITY OF THE KASSA.

In reviewing the work of the kassa, it may be affirmed that it has done well and brought untold benefits to the Jewish population. It is really the only institution which gives aid to the artisan, petty trader and pedlar, and which saves them from the hands of Armenian, Greek and Jewish usurers, who charge five to six per cent monthly interest on a loan of 20 to 30 Pounds. Persons borrowing from such individuals would labor almost exclusively for their creditors, and hardly be in a position to earn a decent livelihood. The kassa has assisted these people in attaining a better standard of living.

The kassa grants loans against a sort of promissory note, endorsed by two guarantors, for a maximum period of twelve months. No loan exceeds 500 Pounds. Loans are likewise given on personal property, mostly jewelry, the loan usually amounting to 50 per cent of the value of the article pawned.

Loan prolongations are rarely granted. The repayment of separate instalments is occasionally deferred, but the return of the entire sum is never postponed beyond the end of the loan period. No new loans are given before old debts have been settled.

Applications for loans are examined once a week by a special commission consisting of three members of the management.

Loan Operations from Date of Organization to December 31st, 1926.

Year	No. of Loans	Loan Total Pounds	Dollars	Average Loan Pounds	Average Loan Dollars
1923 . . .	1,079	74,051.00	$ 39,388	69	$37
1924 . . .	2,190	210,892.50	110,996	96	51
1925 . . .	2,414	264,948.45	139,447	110	58
1926 . . .	2,146	266,512.15	140,270	124	65

Divided according to the nature of the guarantees, the loans of the kassa may be classified as follows:

1923

179	Loans against	Pawned Articles	8,835.75 Pounds	(11.9%)
900	,, ,,	Promissory Notes . . .	65,215.25 ,,	(88.1%)
1,079	,,	Total	74,051.00 Pounds	

1924

476	Loans against	Pawned Articles	30,348.00 Pounds	(14.4%)
1,714	,, ,,	Promissory Notes . . .	180,544.50 ,,	(85.6%)
2,190	,,	Total	210,892.50 Pounds	

1925

635	Loans against	Pawned Articles	48,888.50 Pounds	(18.5%)
1,779	,, ,,	Promissory Notes . . .	216,059.95 ,,	(81.5%)
2,414	,,	Total	264,948.45 Pounds	

1926

346	Loans against	Pawned Articles	31,071.00 Pounds	(11.7%)
1,800	,, ,,	Promissory Notes . . .	235,441.15 ,,	(88.3%)
2,146	,,	Total	266,512.15 Pounds	

It will be noticed that the loans against pawned articles increased year by year. This development may be explained by the fact that individuals who had previously pawned their goods with private persons were anxious to liberate themselves from economic bondage to such creditors, and to take advantage of the more favorable terms offered by the kassa.

During the year 1926 the kassa was inspected by the Secretary-General of the Foundation, who instructed the management regarding a change in policy which we believed desirable. The granting of loans against pawned articles was to be decreased and finally discontinued altogether. Furthermore, the establishment of a savings department was decided upon. After some difficulty, the department was approved by the government and started operations. We expect this new phase of the kassa's activity to develop satisfactorily.

The kassa charges 9 per cent interest per annum, but, in view of the fact that interest must be paid in advance and that loans are repaid in not more than ten monthly instalments, the charge actually amounts to 14 or even 15 per cent. Under the conditions obtaining, however, this cannot be considered usurious.

Petty merchants head the list of borrowers. They are followed by pedlars and then by the artisans. Other member groups receiving loans are traders, clerks, etc.

The Constantinople kassa closed its books for 1925 with a profit of 5,622.42 Pounds, from which a second reserve fund of 3,000 Pounds was created, as well as a special reserve of 500 Pounds for doubtful items. The 2½ % dividend provided for in the organization's charter, plus an extra 2½ %, were paid to all shareholders out of the balance of the year's profit. (The kassa, furthermore, has a special reserve fund amounting to 10 % of its share capital).

In 1926 a net profit of 4,186.61 Turkish Pounds was earned, which was divided as follows:

2½ % Dividend . .	750.00	Turkish Pounds
Reserve Capital . .	2,500.00	„ „
Doubtful Debts . .	936.61	„ „
Total	4,186.61	Turkish Pounds

ADRIANOPLE.

The kassa in Constantinople established a branch in Adrianople, which is developing favorably.

In 1924	the Adrianople	kassa	granted	444	loans	totalling	42,957.70 Pounds
In 1925	„	„	„	447	„	„	54,322.00 „
In 1926	„	„	„	543	„	„	59,720.00 „

Loans are granted for a maximum period of six months on weekly and monthly instalments. As to occupation, the clientele of the kassa more or less approximates that of the one in Constantinople. The loan maximum is 300 Pounds; the average loan amounts to 100—200 Pounds.

SMYRNA.

Besides the loan kassa in Constantinople and its branch in Adrianople, the Foundation helped establish another branch in Smyrna. The situation of the Jews in Smyrna is extremely bad, because the city is no longer the flourishing commercial centre it once was. A large number of the thirty to thirty-five thousand Jews in Smyrna are street vendors of fruit, lemonade, fish, etc., and scarcely earn a living. During the Greco-Turkish War, another 5,000 Jews, whose homes had been burned by the armies, entered Smyrna and increased the number of impoverished unfortunates among the Jewish population.

People in good position were completely ruined by the fire of 1922, when the Turkish troops occupied the city. Here, as well as in Constantinople, the new Turkish Government, insofar as possible, is trying to eliminate non-Mohammedans from economic life. Thus, for example, many Jews who formerly worked in the harbor among the fishers were deprived of their livelihood.

Several years ago a loan kassa was founded by the B'nai B'rith. It was, however, regarded rather as a philanthropic institution. This kassa was

transformed into a branch of that in Constantinople, as this was the one way of ensuring its further legal existence. The government confirmed this action. The funds with which the kassa worked, up to the time when the Foundation granted it a credit, amounted to 15,000 Pounds. This was really a subvention of the J. D. C. to the B'nai B'rith in Constantinople for its relief activity after the war, as part of this amount was used for the establishment of this kassa. When the kassa was transformed into a branch of that in Constantinople, the entire capital was 16,171.20 Pounds, or about $8,898. Of this amount, 15,000 Pounds was its own capital and 1,171.20 Pounds a reserve fund for doubtful debts. The Foundation granted a credit of $5,000. From the date of its organization up to the close of 1925, the kassa granted 245 loans, totalling 15,943 Pounds. In 1926 a further 401 loans, aggregating 33,149 Pounds, were granted. The largest amount of any single loan, up to 1926, was 200 Pounds, but in that year the maximum was increased to 300 Pounds. As a matter of fact, more than half of the loans amount to only 50 to 100 Pounds.

Applications for loans are discussed each week after being studied by an Investigation Committee. Loans on pawned articles are not given here. The rate of interest is 9 per cent and repayments are made in weekly instalments over a maximum period of about a year.

It must be recognized that, despite the handicap of relatively small means and the extremely critical situation obtaining in Smyrna, the loan kassa greatly aided the poorer Jewish classes and doubtless saved many from complete ruin. In order to strengthen this cooperative in its future work, additional funds were placed at its disposal in 1926, when, the Foundation having exerted pressure, the Constantinople kassa granted a credit of $2,500 from its own funds, which was doubled by us. Our credits to the Smyrna kassa therefore total $10,000.

TABLE

Balance Sheet of the Credit Kassa in Constantinople and its Branches in Adrianople and Smyrna, December 31st, 1925.

(Turkish Pounds)

Assets			Liabilities		
Cash on Hand			Paid-up Share Capital		
Constantinople	978.25½		Constantinople		30,000.00
Adrianople	137.48		Reserves		
Smyrna	227.81	1,343.54½	Constantinople	3,000.00	
Cash in Banks			Adrianople	1,000.00	
Constantinople	6,539.43		Smyrna	1,171.22	5,171.22
Adrianople	2,000.00		Deposits of Branches		
Smyrna	8,841.76	17,381.19	Constantinople		20,000.00
Loans Outstanding			Credits from Foundation		
Constantinople	164,402.49		Constantinople (including branches)		157,971.90
Adrianople	24,866.60		Deposit for Russian Refugees		
Smyrna	17,811.90	207,080.59	Constantinople		5,803.50
Sundry Debtors			Sundry Creditors		
Constantinople		50.00	Constantinople	339.00	
Furniture and Fixtures			Adrianople	965.52	
Constantinople	600.00		Smyrna	1,212.00	2,516.52
Smyrna	137.60	737.60	Unclaimed Dividends		
Organization Expenses			Constantinople		396.60
Constantinople		1,050.00	Net Profit		
			Constantinople	5,622.41½	
			Adrianople	38.56	
			Smyrna	122.21	5,783.18½
		227,642.92½			227,642.92½

Balance Sheet of the Credit Kassa in Constantinople and its Branches in Adrianople and Smyrna, December 31st, 1926

(Turkish Pounds)

Assets			Liabilities		
Cash on Hand			Paid-up Share Capital		
Constantinople	1,272.99¼		Constantinople		30,000.00
Adrianople	1,246.04		Reserves		
Smyrna	500.42	3,019.45¼	Constantinople	6,000.00	
Cash in Banks			Adrianople	1,000.00	
Constantinople	24,795.50		Smyrna	1,171.22	8,171.22
Smyrna	10,150.81	34,946.31	Deposits		
Loans Outstanding			Constantinople	3,122.80	
Constantinople	161,704.05		Adrianople	2,194.62	
Adrianople	27,803.50		Smyrna	1,127.00	6,444.42
Smyrna	24,884.25	214,391.80	Deposits of Branches		
Furniture and Fixtures			Constantinople		20,000.00
Constantinople	1,450.00*		Credits from Foundation		
Smyrna	237.60	1,687.60	Constantinople		183,637.83
Deferred Expenses			Taxes Payable		
Constantinople	107.13		Constantinople		82.06¾
Smyrna	113.75	220.88	Sundry Creditors		
			Constantinople		26.50
			Unclaimed Dividends		
			Constantinople		907.10
			Net Profit		
			Constantinople	4,006.61½	
			Adrianople	848.00	
			Smyrna	142.29	4,996.90½
		254,266.04¼			254,266.04¼

*Includes „Organization Expenses"

ERRATA

Page 12, line 16 — for "1884" read "1844".

Page 34, lines 1 and 2 — for "which contain each a Jewish population of 6,000" read "which has a Jewish population of 6,000".

Page 108, liabilities section — Earnings on December 31st, 1923, amounted to Polish Marks 30,541,525,000.

CONCLUSION

We have attempted to draw an accurate picture of the comprehensive work and the difficult task which the Foundation has undertaken for Eastern Jewry, from the coast of the Baltic Sea to Asia Minor. We are glad to tell of the close and cordial contact between the Foundation and the European Jews. While the work of promoting the cooperative movement among the Jewish people in Eastern Europe cannot be regarded as something altogether new, we may note with satisfaction how widely and deeply it has taken root; post-war conditions made it more important than ever for the economic recovery and readjustment of the Jews.

The many cooperative kassas and other cooperative societies, which are connected with the Foundation through their central organizations, may be regarded as so many pillars of support in the tremendous struggle for life which to-day is being fought by the Jewish masses in Eastern Europe and which will apparently have to continue over a considerable period of time. The Foundation has created and promoted the movement in some countries, in which the will to help themselves was very weak among the Jews before the war. It may be stated that just in these countries, like Sub-Carpathia and Old Roumania, very striking achievements have been attained. Regarding the various activities of the Foundation during the last few years, we may note with satisfaction that, although the general situation remains very serious, and here and there even critical, some basis has been laid for a sounder development of the Jews' own economic forces. The first experiments with purchasing and selling cooperatives for artisans and producers' and consumers' cooperatives, chiefly for workingmen, were really initiated by us. We are convinced that in the coming year the cooperative movement will make still further advances.

Although, as explained in the introductory remarks, the Foundation cannot hope entirely to solve the Jewish problem in Eastern Europe, which cannot be solved by foreign aid alone, the experience of the last few years demonstrates the unusual importance of the efforts of the Foundation, particularly during this transitional period of adaptation of millions of Jews to the present economic conditions.

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