

0433

Declassified E.O. 12356 Section 3.3/NND No. 785016

ACC

10000/105/513

EC  
MA

0434

Declassified E.O. 12356 Section 3.3/NND No.

785016

10000/105/513

ECON, INFORMATION, COST OF LIVING  
MAY-OCT. 1944

CONFIDENTIAL

CSDIC, CNE

CSDIC/CNF/SIM/CD 28.

This report contains information on economic conditions and factories in Northern ITALY, on Republican Government Offices at BRESCIA, on Black Market prices in VIENNA and on a factory in GERMANY.

Translation of extracts from detailed interrogations by SIM/CSDIC of six Italians.

| Source No | 278   | SIM Ref | 24 CD   |
|-----------|-------|---------|---------|
| "         | " 288 | "       | " 24 CD |
| "         | " 290 | "       | " 24 CD |
| "         | " 296 | "       | " 24 CD |
| "         | " 310 | "       | " 21 CD |
| "         | " 311 | "       | " 22 CD |

Maps used: - ITALY 1:100,000

Town Plans of MILAN and BRESCIA

#### A. PRELUDE

Source 278, is an inf offr who from Feb to Sep 43 worked at the Italian Movements Office (Comando Tappa) in VIENNA. After the armistice he was interned and subsequently he volunteered to join the Italian SS, from which he deserted. Information of a mil nature obtained from him has been published in CSDIC/CNF/SIM/AB 58 & 65. Reliability fair.

Source 288, was in the Customs Guards. He was sent from BRESCIA to ROBE with documents and took advantage of the occasion to desert. Reliability fair.

Source 290, is an agricultural technician who joined the Partito d'Azione in FLORENCE in Jan 44. Reliability good.

Source 296, is a police official who served at LAMBRATE (MILAN). Other information obtained from him will be found in CSDIC/CNF/SIM/AB 54. Reliability fair.

Source 310, is an engineer who has been employed in a managerial capacity in cement factories at GENOA and FONTASSIEVE. He is intelligent and seems reliable.

Source 311, is an illiterate workman from VINICE, who was rounded up and sent to forced labour in GERMANY. He was employed as a manual labourer in a factory, and though unable to give any technical information, seems reliable.

#### B. ECONOMIC

##### 1. Black Market Prices

##### a) BRESCIA (Jun 44 - Source 288)

|           |                   |
|-----------|-------------------|
| Flour     | 16-18 lire per kg |
| Bread     | 18-20 " " "       |
| Olive oil | 500 " " 1 litre   |

rotations by SIM/CSDIC of six Italians.

Source No 278 SIM Ref 24 CD  
" " 283 " " 24 CD  
" " 290 " " 24 CD  
" " 296 " " 24 CD  
" " 310 " " 21 CD  
" " 311 " " 22 CD

Maps used:- IT LY 1:100,000

Town Plans of MILAN and BRESCIA

#### A. PERSONNEL

Source 278, is an inf offr who from Feb to Sep 43 worked at the Italian Movements Office (Comando Tappa) in VIENNA. After the Armistice he was interned and subsequently he volunteered to join the Italian SS, from which he deserted. Information of a mil nature obtained from him has been published in CSDIC/CNF/SIM/AB 58 & 65. Reliability fair.

Source 288, was in the Customs Guards. He was sent from BRESCIA to Rome with documents and took advantage of the occasion to desert. Reliability fair.

Source 290, is an agricultural technician who joined the Partito d'Azione in FLORENCE in Jan 44. Reliability good.

Source 296, is a police official who served at LAMBRATE (MILAN). Other information obtained from him will be found in CSDIC/CNF/SIM/AB 54. Reliability fair.

Source 310, is an engineer who has been employed in a managerial capacity in cement factories at GENOA and PONTASSIEVE. He is intelligent and seems reliable.

Source 311, is an illiterate workman from VINICE, who was rounded up and sent to forced labour in GERMANY. He was employed as a manual labourer in a factory, and though unable to give any technical information, seems reliable.

#### B. ECONOMIC

##### 1. Black Market Prices

###### a) BRESCIA (Jun 44 - Source 288)

|                               |                   |
|-------------------------------|-------------------|
| Flour                         | 16-18 lire per kg |
| Bread                         | 18-20 " "         |
| Olive Oil                     | 500 " " litre     |
| Salt                          | 60-70 " " kg      |
| A suit of clothes costs       | 2,000 lire        |
| A pair of leather shoes costs | 1,500 lire        |

###### b) MILAN (Aug 44 - Source 296)

|        |                  |
|--------|------------------|
| Bread  | 8-10 lire per kg |
| Pasta  | 25 " "           |
| Ment   | 160 " "          |
| Butter | 450 " "          |
| Sugar  | 90 " "           |
| Cheese | 300 " "          |
| /Salt  | " "              |

CONFIDENTIAL

SSDIC/CF/SIM/CD 28.

Salt 90 lbs per kg  
Eggs 9 " each  
Olive Oil 800-1000 " per liter  
Wine 30-40 " " "  
Cigarettes 80-90 " " packs  
A.O.I. 30 " " "  
Nazionala 30 " " "  
Macedonia 30 " " "  
Popolari 24 " " "

o) VIENNA (Jun 44 - Source 273)

Coffee 700-800 " per kg  
Butter 120 " " "  
Sausage 120 " " "  
Cognac 300-400 " " bottle  
Wine 30 " " "  
Cigarettes 4 " " each

## 2. Industry

a) Cement Factories (May 44 - Source 273)

P 90850070

1) APUNIA

This is the most up-to-date factory of its kind in TUSCANY. The machinery is Danish and was installed only a year ago. The materials used are:-

Limestone and marl, brought to the factory from the APUNIA quarries by overhead railway.

Gypsum, from the mines at BRISIGNELLA, nr FIENZA.

Coal, imported from GERMANY (Upper Silesia and the RUHR) the daily consumption being 60 tons.

The plant consists of:

- 1 Polissius crushing mill for the raw material
- 1 rotary kiln
- 1 crushing mill for coal
- 1 crushing mill for the mixture
- 1 roasting kiln
- 1 sack-filling plant
- 1 transformer cabin
- 1 compressor plant for compressed-air conveyance of materials.

The potential output of the factory is 2,000 quintals a day. It employs 200 workers, including those in the quarries, working in three shifts. The rate of pay is 7 lire per hour.

At beg May 44 the bldg containing the compression plant and the electric transformer stn were put out of action as the result of an air raid. Production ceased and the workers were paid off. It may be assumed that the factory is for the moment paralysed owing to the impossibility of obtaining new transformers and compression plant.

Town Plan  
99755090

11) "CEMENTO ITALIANO" Factory, PONTE CARRETTA, GENOVA

This factory, of which Source was at one time asst manager, produces artificial cement. The machinery used are:-  
Marl, obtained from quarries at POME RATI. It was a slight percentage

o) VIENTNA (Jun 44 - Source 276)

|            |                    |
|------------|--------------------|
| Coffee     | 700-800 kg per kg  |
| Butter     | 120 " " "          |
| Sausage    | 120 " " "          |
| Corned     | 300-400 " " bottle |
| Wine       | 30 " " "           |
| Cigarettes | 1 " pack           |

## 2. Industry

a) Cement Factories (May 44 - Source 276)

P 90850070

1) APULIA

This is the most up-to-date factory of its kind in TUSCANY. The machinery is Danish and was installed only a year ago. The material used are:-

Limestone and marl, brought to the factory from the APULIA quarries by overhead railway.

Gypsum, from the mines at PRISCHEN, in PAENZA.

Coal, imported from GERMANY (Upper Silesia and the RUHR) the daily consumption being 60 tons.

The plant consists of:

- 1 Polissius crushing mill for the raw material
- 1 rotary kiln
- 1 crushing mill for coal
- 1 crushing mill for the mixture
- 1 roasting kiln
- 1 sack-filling plant
- 1 transformer cabin
- 1 compressor plant for compressed-air conveyance of materials.

The potential output of the factory is 2,000 quintals a day. It employs 200 workers, including those in the quarries, working in three shifts. The rate of pay is 7 lire per hour.

It began May 44 the bldg containing the compression plant and the electric transformer stn were put out of action as the result of an air raid. Production ceased and the workers were paid off. It may be assumed that the factory is for the moment paralysed owing to the impossibility of obtaining new transformers and compression plant.

Town Plan  
99755090

11) "CEMENTO ITALIA" Factory, POME CARRARA, GENOVA

This factory, of which Source was at one time asst manager, produces artificial cement. The machinery used are:-  
Marl, obtained from quarries at POME RATTI. It was a slight percentage of sodium carbonate, which is rectified, means of

Limestone, obtained from quarries at POME LIGHE (O 4323).

Gypsum, obtained from a Lombard firm, FRATELLI BOLDI.

Pyrites ashes, obtained from the ENA works in GENOVA and various other firms in LIGURIA.

Coal, from Upper SILESIA and the RUHR.

The plant consists of:

1 Polissius

CONFIDENTIAL

CSDIC/CIE/SIA/CD 28.

- 1 Polistine grinding mill for raw material
- 1 bag " " " "
- 2 rotary kilns
- 2 Loesch crushing mills for coal
- 4 crushing mills for the mixture
- 1 roasting kiln
- 1 electric generating plant with three turbines
- 2 boilers for the recuperation of hot gases from the kilns, which are used for the production of current.
- 1 auxiliary reserve boiler
- 1 sack-filling plant.

The production capacity of the plant is 3,500 quintals a day, but at the moment the factory is at a standstill, owing to the difficulty of obtaining coal from GERMANY and transporting limestone from PIETRA LIGURE. The firm normally employs 300 workers, including those in the quarries. They work in three shifts.

The factory has never received any direct hits during air raids, but has suffered minor damage.

iii) POWASSIEVE

This factory, of which Source was manager, is now in Allied hands. It has a production capacity of 1,800 quintals a day. In Jun 44 the whole of the mechanical work was removed and sent to Northern ITALY and in Jul the Germans carried away the entire stock of materials used for maintenance.

b) Textile Industry (Jul 44 - Source 290)

The cotton industry in LOERBURY is almost completely at a standstill, owing to lack of raw materials. Other branches of the textile industry are still working, but on a reduced scale.

c) Synthetic Margarine (Jul 44 - Source 311)

From Apr to Jul 44 Source was employed as a manual labourer in the IG Farbenindustrie works at RUHRFELD in SILESIA. Source's standard of education is very low and he is unable to supply any details as to processes, output, etc., but he maintains that one of the chief products of this factory is synthetic margarine made from coal.

d) Miscellaneous

Town Plan  
056689

1) BRESCIA (Jun 44 - Source 288)

More than a thousand workers are employed day and night in the National Arms Factory (Fabbrica Nazionale d'Armi). Factory is under German control and workers are supervised by members of the GNR. Source was told by a workman that a new type of pistol was being produced there.

033684

The soda factory is also working day and night and employs about 800 workers. It is under very strict German supervision.

ii) CASALPUSTERLINGO (Jul 44 - Source 290)

K 5830

2 boilers for the recuperation of hot gases from the kilns, which are used for the production of current.  
1 auxiliary reserve boiler  
1 sack-filling plant.

The production capacity of the plant is 3,500 quintals a day, but at the moment the factory is at a standstill, owing to the difficulty of obtaining coal from GERMANY and transporting limestone from PIETRA LIGURIA. The firm normally employs 300 workers, including those in the quarries. They work in three shifts.

The factory has never received any direct hits during air raids, but has suffered minor damage.

iii) PONTASSIEVE

This factory, of which Source was manager, is now in Allied hands. It has a production capacity of 1,800 quintals a day. In Jun 44 the whole of the mechanical workshop was removed and sent to Northern ITALY and in Jul the Germans carried away the entire stock of materials used for maintenance.

b) Textile Industry (Jul 44 - Source 290)

The cotton industry in LORENZINO is almost completely at a standstill, owing to lack of raw materials. Other branches of the textile industry are still working, but on a reduced scale.

c) Synthetic Margarine (Jul 44 - Source 311)

From Apr to Jul 44 Source was employed as a manual labourer in the IG Farbenindustrie works at RIETENWALD in SILESIA. Source's standard of education is very low and he is unable to supply any details as to processes, output, etc., but he maintains that one of the chief products of this factory is synthetic margarine made from coal.

d) Miscellaneous

i) BRESCIA (Jun 44 - Source 288)

More than a thousand workers are employed day and night in the National Arms Factory (Fabbrica Nazionale d'Armi). Factory is under German control and workers are supervised by members of the GNR. Source was told by a workman that a new type of pistol was being produced there.

The soda factory is also working day and night and employs about 800 workers. It is under very strict German supervision.

ii) CASALEPUSSERLINGO (Jul 44 - Source 290)

The S.A.F.E.A. is producing collapsible huts for the Germans.

iii) MILAN (Aug 44 - Source 296)

The INNOCENTI cartridge case factory in VIA BELLINI, LAMBRATE, was employing about 3,500 workers until Apr 44, but the number has since been much reduced owing to the removal of part of the machinery to GERMANY. The factory suffered considerable damage during air raids, but work was never completely suspended.

The firm of CUSTIGLIANI, VIA VENTURA 84, LAMBRATE, employs from 250-300 workers. It produces castings in copper, lead, etc.

Town Plan  
056689

03684

K 5830

289649

287659

CONFIDENTIAL

CSDIC/CME/SIN/CD 28.

iv) ROME-CORRECTION (Jun 44 - Source 278)

During the occupation of ROME, the Germans purchased and removed from CINECITTA' cinematographic materials to a value of 52,000,000 lire. The negotiations were conducted on the German side by an engineer named VIKTOR BOUMIN, who afterwards went to PRAGUE. He was a friend of SOLIERA and ARENISE.

3. Wages (Jun 44 - Source 288)

Industrial workers in the BRESCIA area earned from 2,500-3,000 lire a month, wages having been increased as the result of a strike. Many of the workers in the National Arms Factory are paid on a piece-work basis and earn considerably more than those paid at fixed rates.

C. POLITICAL

1. Government (Jun 44 - Source 288)

The following Government offices are located at BRESCIA.

Town Plan  
06326750

a) Ministry of Finance Head Office

At the VILLA LANDI in Via GIOVANNI FRUTTI.

06356755

The Minister's residence is in a neighbouring villa.

b) General Directorate of Supplies (Provveditorato Generale dello Stato)  
War Pensions Office

06376725

In the Istituto PAVONI, Via CASTELLINI.

c) Deposits and Loans Office (Cassa Depositi e Prestiti)  
General Directorate of the Treasury

04486754  
04526817

In the MANTONI School, situated in Via dei MILLE, between MRS.

d) Directorate of Exchange and Currency

At 22 Via dei MILLE.

e) Directorate of the Public Debt

04506797  
04756792

At 3, Via CAIROLI, between MRS.

f) National Institute for Foreign Trade

04606818  
04756857

At 6, Via delle GRAZIE, between MRS.

g) Office of the Chief Accountant (Ragioneria Generale)  
General Directorate of Customs  
Directorate of State Lands (Direzione Demanio)

04526753  
04706809

In Palazzo BORGIANI, Corso CARLO ALBERTO, between MRS.

4697

3. Wages (Jun 14 - Source 288)

Industrial workers in the BRESOIA area earned from 2,500-3,000 lire a month, wages having been increased as the result of a strike. Many of the workers in the National Arms Factory are paid on a piece-work basis and earn considerably more than those paid at fixed rates.

C. POLITICAL

1. Government (Jun 14 - Source 288)

The following Government offices are located at BRESOIA.

Town Plan

06326750 a) Ministry of Finance Head Office

At the VILLA LANDE in Via GIOVANNI PRATI.

06356755

The Minister's residence is in a neighbouring villa.

b) General Directorate of Supplies (Provveditorato Generale dello Stato)  
War Pensions Office

06376725

In the Istituto PAVONI, Via CASTELLINI.

c) Deposits and Loans Office (Cassa Depositi e Prestiti)  
General Directorate of the Treasury

04486754  
04526817

In the HALTONI School, situated in Via dei MILLE, between Mrs.

d) Directorate of Exchange and Currency

At 22 Via dei MILLE.

e) Directorate of the Public Debt

04506797  
04756792

At 3, Via C. J. JOLI, between Mrs.

f) National Institute for Foreign Trade

04606818  
04756857

At 6, Via delle GRAZIE, between Mrs.

g) Office of the Chief Accountant (Ragioneria Generale)  
General Directorate of Customs  
Directorate of State Lands (Direzione Demando)

04526753  
04706809

In Palazzo BONGIANNI, Corso CARLO LIBERTO, between Mrs.

h) Directorate of Direct Taxation  
Directorate of Indirect Taxation

05306759  
05826749

In the Liceo ARMANDO, 56, Corso MAGENTA, between Mrs.

i) General Directorate of Personnel

04716813  
04836854

At 12, Via MARSILIA, between Mrs.

CONFIDENTIAL

CSDIC/CIT/SL/CD 28.

j) Registry of Taxpayers (Imposte Tributaria)

At 17, Via MURRA.

k) Directorate of Local Finances

At 9, Via MURRA, between 10s.

l) Central Accountancy Office (Ragioneria Centrale)

In the BAMBINO School, in Piazzale CESARE MATTEOTTI.

m) Government Stationery Office (Istituto Poligrafico)

At 39, Via MURRA, between 10s.

n) Cashier's Office (Cassa Economato)

At 24, Via SIVIO FALLOCC.

2. Propaganda (10 May 44 - Source 288)

The head offices of the Agenzia STEFANI and the ITALICORRE were at BUDRIO (10 May 44), ne-BOLOGNA.

3. DISSEMINATION (16 Aug 44 - Source 296)

COSTA

Federal Leader (Ragionerie Federale) of the Republican Fascist Party in MILAN.

C.S.D.I.C.,  
C.I.F.,  
5 Oct 44.

(R.P.F. EDWARDS)  
Lt-Col.  
Comdt CSDIC, C.F.

4686

Declassified E.O. 12356 Section 3.3/NND No.

785016

Report No CSINC/CAF/SL/CDCONFIDENTIALDISTRIBUTION

|            |                    |            |                          |
|------------|--------------------|------------|--------------------------|
| <u>ACN</u> | AC of S G-2..... 2 | <u>CAF</u> | BCS (I) HQ AAI..... 1    |
|            | JICANA..... 1      |            | C-2 (Adv Int) ACC..... 1 |
|            | CEMA..... 4        |            | IS 9 CMA..... 1          |
|            | CPIC..... 1        |            | EG 1 I (I) Sec..... 1    |
|            | CAEPC..... 1       |            | 300 PJ Sec..... 1        |
|            | ISLM..... 1        |            | " " " No 1 Det..... 1    |
|            | C-2 (PW)..... 1    |            | RLD Adv..... 1           |
| <u>EE</u>  | BCS (I)..... 1     |            | SIC RICE..... 1          |
|            | CSI (F)..... 1     |            | Int Sec AAF..... 3       |
|            | CEWA..... 1        |            | Int Div ACC..... 3       |
|            | PIC-E..... 1       |            | CSDEC..... 1             |
|            | CSMC..... 1        |            | CSMC East..... 1         |
| <u>UK</u>  | DMI..... 1         |            | CSDEC Air Sec..... 1     |
|            | MI 3 c..... 1      |            | SI /CSMC/LC..... 1       |
|            | MEW..... 2         | <u>USA</u> | ALCOS Mission..... 1     |
|            | ADI (R)..... 1     |            | EW Branch..... 1         |
|            | TEND..... 1        |            | File..... 3              |

0445

Declassified E.O. 12356 Section 3.3/NND No.

785016

5/40/ASD

Lik

Admin Sec

VOL. II

Copy Nr. 12

25 JUL 1944

ECONOMIC

FACTS AND FACTORS

oooooooooooo

A monthly bulletin published by the  
Economics & Supply Division of Region 3

oooooooooooo

APRIL AND MAY 1944

4694

29 Jul 1944

315

Declassified E.O. 12356 Section 3.3/NND No.

785016

COST OF LIVING TRENDS

The following table shows precisely the index figures from June 1943 through May 1944, of the cost of living in Naples. These figures cover each category under discussion.

| Description                                | June<br>1943 | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 | April<br>1944 | May<br>1944 |
|--------------------------------------------|--------------|---------------|--------------|---------------|---------------|-------------|
| <u>WEEKLY EXPENSE FOR FOOD</u>             | £. 357.15    | 314.50        | 1134.05      | 1760.45       | 1901.31       | 1777.05     |
| Index - June as 100                        | 100          | 205.0         | 295.5        | 443.2         | 431.4         | 547.9       |
| Index - Sept. as 100                       |              | 100           | 139.2        | 216.1         | 233.4         | 256.5       |
| <u>WEEKLY EXPENSE FOR CLOTHING</u>         | £. 108.55    | 162.47        | 259.16       | 545.32        | 457.50        | 561.30      |
| Index - June as 100                        | 100          | 149.5         | 238.5        | 501.9         | 421.1         | 516.5       |
| Index - Sept. as 100                       |              | 100           | 159.5        | 335.6         | 281.6         | 345.5       |
| <u>WEEKLY EXPENSE FOR DWELLING</u>         | £. 49.27     | 49.27         | 49.27        | 49.60         | 49.60         | 49.60       |
| Index - June as 100                        | 100          | 100           | 100          | 100.6         | 100.6         | 100.6       |
| Index - Sept. as 100                       |              | 100           | 100          | 100.6         | 100.6         | 100.6       |
| <u>WEEKLY EXPENSE FOR HEAT &amp; LIGHT</u> | £. 3.94      | 34.02         | 72.20        | 60.73         | 62.13         | 54.08       |
| Index - June as 100                        | 100          | 320.5         | 807.6        | 768.7         | 694.9         | 604.3       |
| Index - Sept. as 100                       |              | 100           | 212.20       | 202.0         | 162.6         | 158.8       |
| <u>WEEKLY MISCELLANEOUS EXPENSES</u>       | £. 61.42     | 67.16         | 139.98       | 207.34        | 246.91        | 253.75      |
| Index - June as 100                        | 100          | 109.3         | 227.9        | 337.5         | 402.0         | 412.3       |
| Index - Sept. as 100                       |              | 100           | 208.4        | 308.7         | 367.6         | 377.3       |
| <u>TOTAL WEEKLY EXPENSE</u>                | £. 625.43    | 1127.42       | 1654.66      | 2631.44       | 2710.05       | 3090.28     |
| INDEX - JUNE AS 100                        | 100          | 180.2         | 264.5        | 420.7         | 434.5         | 494.1       |
| INDEX - SEPT. AS 100                       |              | 100           | 145.7        | 233.4         | 241.0         | 274.1       |

This issue of Economic Facts & Factors, will deal with the cost of living in Naples during the months of April and May 1944. The same forms of indices are used and

all conditions set out in the first lists are continued to be considered in this one as in all subsequent ones.

It is interesting to note the changes in prices, in the various categories since the publication of price lists by the Commune, in accordance with Regional Order 26, dated 29 March 1944. Although these changes began to take place only during the last two weeks of April, inasmuch as the first Communal price lists came out on 15 April, the results are gratifying despite the fact that prices of some items appear to have been set without rhyme or reason.

Prices during the first two weeks in April were static, but a change for the better became noticeable in the latter half of the month, after the publication of the first Communal price list. At first this price list met with considerable scepticism by the public and the reason appears to have been the inconsistency of the prices approved by the Sindacos. Some prices were little better than Black Market prices while others just did not make sense. Prices were set on items of short supply with no possible solution in sight to remedy the condition, while others were set without any consideration as to size, quality or workmanship. Nevertheless in spite of the uneconomic manner in which prices were based, the fact that some action was being taken by those in authority to control prices, had a psychological effect which became evident a few days later. People began to think in terms of published prices and although the best items temporarily disappeared from many shops, shoppers began to insist on paying only at those prices published. This phenomena is in itself a good sign.

The proof of the efficacy of publishing price lists irrespective of the fact that some prices are uneconomical is seen in the fact that the index figures in

the cost of living during April rose only 7.6 points over March, basing September as 100.

The sudden index rise in May 1944, in the cost of living, was due to a great extent to the inconsistent price policy of the Commune and, consequently, the official prices of many items of necessity, with which this study is concerned, have been increased. Aside from this, many of the reasons given in our original study as causing a rise in living costs, are still operative at this time. This can best be seen by the following table showing official and Black Market prices of food.

Fig. 1

TABLE SHOWING OFFICIAL AND BLACK MARKET PRICES

| I t e m s    |     | June 1943 |       | Sept. 1943 |        | Dec. 1943 |        |
|--------------|-----|-----------|-------|------------|--------|-----------|--------|
|              |     | Off.      | B/M   | Off.       | B/M    | Off.      | B/M    |
| Bread        | Kg. | 2.50      | 50.=  | 2.50       | 55.=   | 3.60      | 120.=  |
| Flour        | "   | 2.30      | 55.=  | 2.30       | 70.=   | 4.10      | 150.=  |
| Flour (corn) | "   | 1.80      | 25.=  | 1.80       | 40.=   | 3.75      | 110.=  |
| Rice         | "   | 3.45      | 30.=  | 3.45       | 60.=   | 4.00      | 170.=  |
| Potatoes     | "   | 4.=       | 5.=   | 4.=        | 7.=    | 7.=       | 17.=   |
| Dry Figs     | "   | =         | 26.=  | =          | 40.=   | 27.=      | 65.=   |
| Pasta        | "   | 3.10      | 35.=  | 3.10       | 70.=   | 5.=       | 220.=  |
| Sugar        | "   | 7.65      | 40.=  | 9.10       | 120.=  | 15.=      | 180.=  |
| Wine         | Lt. | 4.=       | 6.50  | 4.=        | 10.=   | 14.=      | 25.=   |
| Barley       | Lt. | =         | 20.=  | =          | 27.=   | =         | 20.=   |
| Milk         | Lt. | 2.60      | 8.=   | 2.60       | 11.=   | 7.=       | 25.=   |
| Beans        | Kg. | 6.15      | 28.=  | 6.15       | 35.=   | 11.=      | 150.=  |
| Beef         | "   | 11.50     | 70.=  | 32.=       | 90.=   | 34.=      | 120.=  |
| Eggs (each)  | "   | 1.80      | 5.=   | 2.=        | 10.=   | 4.=       | 20.=   |
| Cheese       | "   | 24.10     | 120.= | 24.65      | 130.=  | 35.=      | 220.=  |
| Coffee       | "   | =         | 700.= | =          | 1000.= | =         | 1300.= |

(Contd.)

Declassified E.O. 12356 Section 3.3/NND No.

785016

Fig.1 (continues)

| Items       |      | Mar. 1944 |        | April 1944 |        | May 1944 |        |
|-------------|------|-----------|--------|------------|--------|----------|--------|
|             |      | Off.      | 3/4    | Off.       | 3/4    | Off.     | 3/4    |
| Bread       | Kg.  | 3.60      | 130.=  | 3.60       | 135.=  | 3.50     | 165.=  |
| Flour       | "    | 3.50      | 100.=  | 3.50       | 205.=  | 3.60     | 210.=  |
| Flour(corn) | "    | 3.75      | 145.=  | 3.75       | 148.=  | 3.75     | 150.=  |
| Rice        | "    | 4.=       | 200.=  | 4.=        | 225.=  | 4.=      | 316.25 |
| Potatoes    | "    | 13.=      | 37.=   | 13.=       | 43.=   | 12.=     | 55.50  |
| Dry Eggs    | "    | 31.=      | 76.=   | 35.=       | 82.=   | 40.=     | 80.=   |
| Pasta       | "    | 5.10      | 250.=  | 5.10       | 267.=  | 5.=      | 307.50 |
| Sugar       | "    | 15.=      | 340.=  | 15.=       | 351.=  | 15.=     | 310.=  |
| Wine        | "    | 14.=      | 45.=   | 14.=       | 40.=   | 22.50    | 42.=   |
| Barley      | "    | =         | 120.=  | =          | 121.=  | =        | 112.50 |
| Milk        | lit. | 13.=      | 35.=   | 13.=       | 35.=   | 13.=     | 22.50  |
| Beans       | Kg.  | 12.=      | 180.=  | 25.50      | 203.=  | 75.=     | 190.=  |
| Beef        | "    | 24.=      | 79.=   | 32.=       | 310.=  | 125.=    | 326.65 |
| Eggs(each)  | "    | 4.=       | 32.=   | 5.50       | 19.=   | 14.50    | 15.50  |
| Cheese      | "    | 19.=      | 420.=  | 20.=       | 392.=  | 50.=     | 500.=  |
| Coffee      | "    | =         | 1430.= | =          | 1600.= | =        | 200.=  |

It is interesting to note that the Official Ration Distribution is increasing each month as shown by the comparative table below, and that in each instance where a food item is distributed a noticeable drop in the Black Market price of this commodity is immediately noticeable.

Fig. 2

## MONTHLY RATION REQUIREMENTS PER PERSON

| I t e m s        | Q u a n t i t y |               |              |               |               |             |
|------------------|-----------------|---------------|--------------|---------------|---------------|-------------|
|                  | July<br>1943    | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 | April<br>1944 | May<br>1944 |
| Bread            | 4.500           | 5.000         | 5.500        | 6.000         | 6.000         | 6.000       |
| Pasta            | 2.500           | =             | .500         | =             | =             | =           |
| Rice             | .400            | =             | =            | =             | =             | =           |
| Oil              | .320            | =             | .450         | .183          | .183          | .183        |
| Pats             | .050            | =             | =            | =             | =             | =           |
| Sugar            | .500            | =             | =            | =             | .250          | .250        |
| Eggs             | 2               | =             | =            | =             | =             | =           |
| Cheese           | .200            | =             | =            | .200          | .130          | =           |
| Meat             | .320            | =             | =            | =             | .400          | .400        |
| Potatoes         | .300            | =             | =            | =             | =             | =           |
| Powdered soup    | =               | =             | =            | .250          | .250          | .50         |
| Dried vegetables | =               | =             | =            | .250          | .600          | .500        |
| Salt             | =               | =             | =            | .500          | =             | =           |
| Peasants         | =               | =             | =            | =             | .070          | =           |
| Salt herrings    | =               | =             | =            | =             | =             | .350        |
| Marinade         | =               | =             | =            | =             | =             | .200        |

Chart 1 - shows the relative percentage of food purchased through the ration, Free Market and Black Market.

Chart 2 - shows the percentage of food actually purchased through the Ration, Free Market and Black Market.

A very encouraging picture is presented by these charts as the percentage of purchases in the Black Market shows a marked decline, as the ration is increased.

Declassified E.O. 12356 Section 3.3/NND No.

785016

Fig.3

## FOOD COST INDEX FOR TYPICAL FAMILY

|                                         | June<br>1943 | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 | April<br>1944 | May<br>1944 |
|-----------------------------------------|--------------|---------------|--------------|---------------|---------------|-------------|
| Weekly expense lit.                     | 207.15       | 214.50        | 2121.20      | 1750.15       | 1201.61       | 1171.05     |
| Index using June as<br>100 increase is  | 100          | 205.0         | 185.5        | 443.2         | 431.4         | 546.5       |
| Index using Sept. as<br>100 increase is |              | 100           | 139.2        | 216.1         | 233.4         | 260.5       |

Clothing prices during the month of April showed a decided drop due mainly to controlled selling. However, during May the index figures rose sharply, the reason being that much clothing and materials have disappeared from the stores and cannot at present be replaced, thereby necessitating the purchase of a large portion of their requirements in the Black Market.

Fig.4

## CLOTHING INDEX

|                                         | June<br>1943 | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 | April<br>1944 | May<br>1944 |
|-----------------------------------------|--------------|---------------|--------------|---------------|---------------|-------------|
| Weekly expense lit.                     | 108.35       | 162.47        | 259.16       | 545.32        | 457.60        | 551.37      |
| Index using June as<br>100 increase is  | 100          | 149.5         | 239.5        | 501.5         | 421.1         | 516.6       |
| Index using Sept. as<br>100 increase is |              | 100           | 159.5        | 335.6         | 281.6         | 345.5       |

Declassified E.O. 12356 Section 3.3/NND No. 785016

There has been no change in the cost of housing.

The Index figure for Food and Light showed a decrease of 19.4 points in April and a further decrease of 23.1 in May.

Miscellaneous expenses showed a slight increase in April and May but because this category is quite flexible and covers numerous novelties and items which could be easily controlled by the family for the purposes of this study, the index could be considered as fairly stabilized.

Fig.C - the composite vs Chart, attached, graphically portrays the trend in the cost of living in Naples. It will be observed that using September 1943 as a base the rise is slight, being only 33.1 points in May over April for a total of only 40.7 points over March. See Index figures below :-

RISE IN LIVING COSTS

|                                                  |   |            |              |
|--------------------------------------------------|---|------------|--------------|
| June 1943 through April 1944                     | - | Index      | 434.5        |
| Sept. 1943                                       | " | April 1944 | - " 241.0    |
| June 1943                                        | " | May 1944   | - " 234.1    |
| Sept. 1943                                       | " | May 1944   | - " 277.1    |
| <u>Using June 1943 as 100 :-</u>                 |   |            |              |
| The rise from March through April is points 13.0 |   |            |              |
| "                                                | " | "          | May " " 73.4 |
| <u>Using Sept. 1943 as 100 :-</u>                |   |            |              |
| The rise from March through April is points 7.6  |   |            |              |
| "                                                | " | "          | May " " 40.7 |

These figures definitely prove that the spiral, as evidenced by the rise as shown, if June 1943 is used as 100, has been effectively slowed down so that the rise in the cost of living is actually negligible if viewed in the light that a condition of short supply continues to exist.

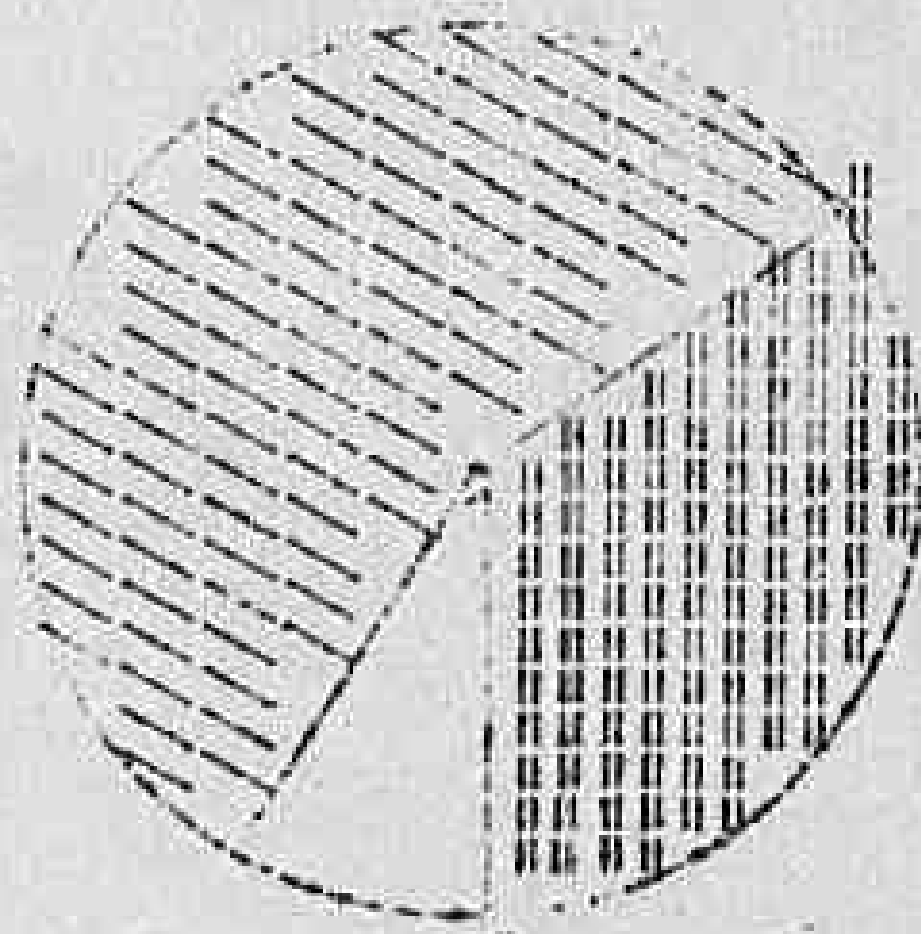
0 4 5 3

Declassified E.O. 12356 Section 3.3/NND No. 785016

"CALORIC VALUES OF FOODS"

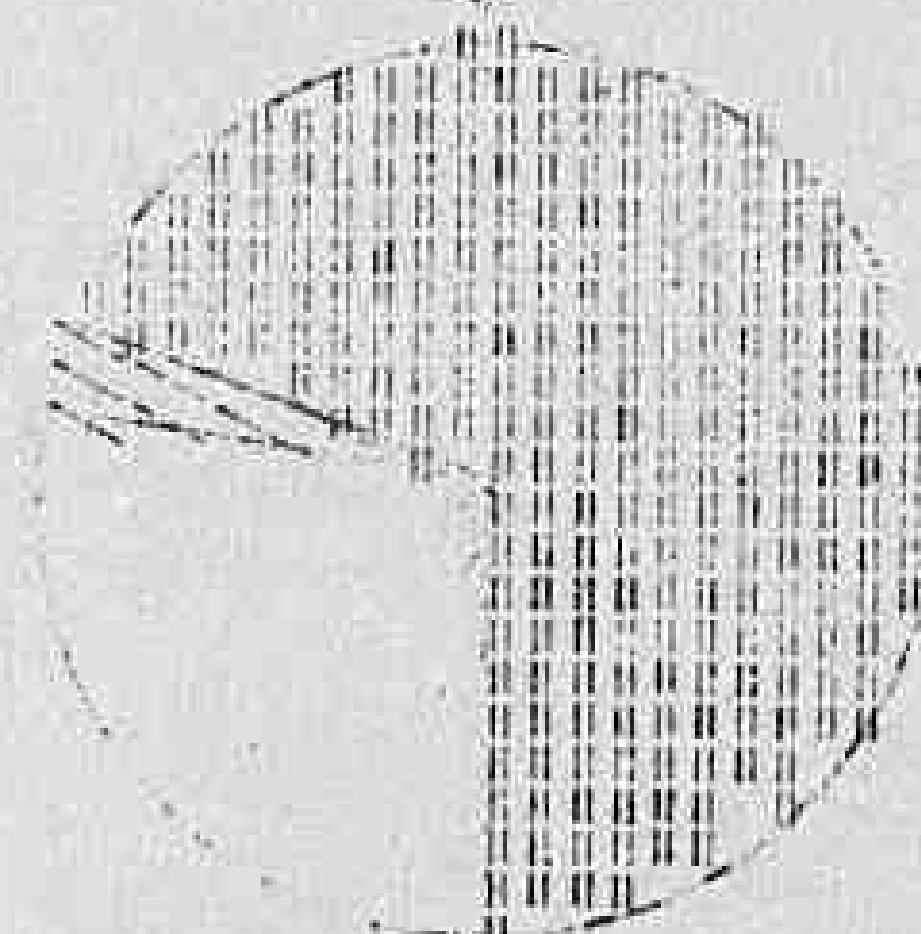
This chart is designed to show the caloric percentage of foods purchased through the "Ration" in the "Free Market" and the "Black Market"

F.M. 8.95%  
R. 53.03%  
B.M. 38.02%



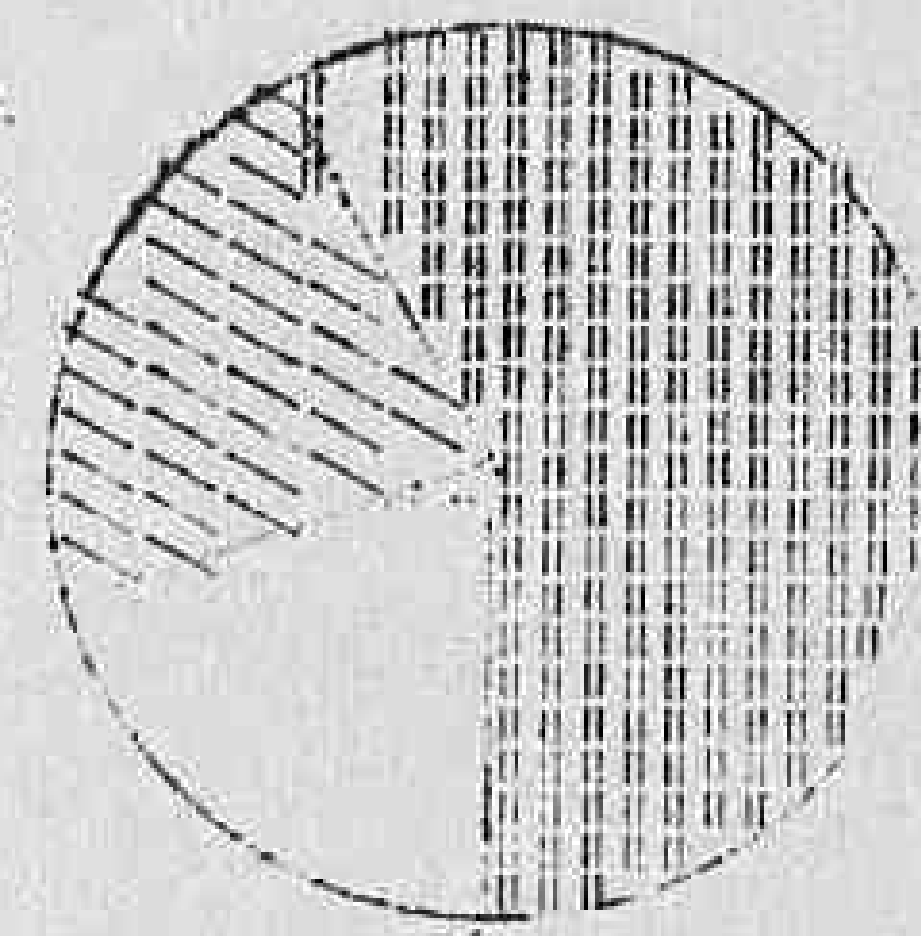
June 1943

F.M. 29.24%  
R. 2.34%  
B.M. 68.42%



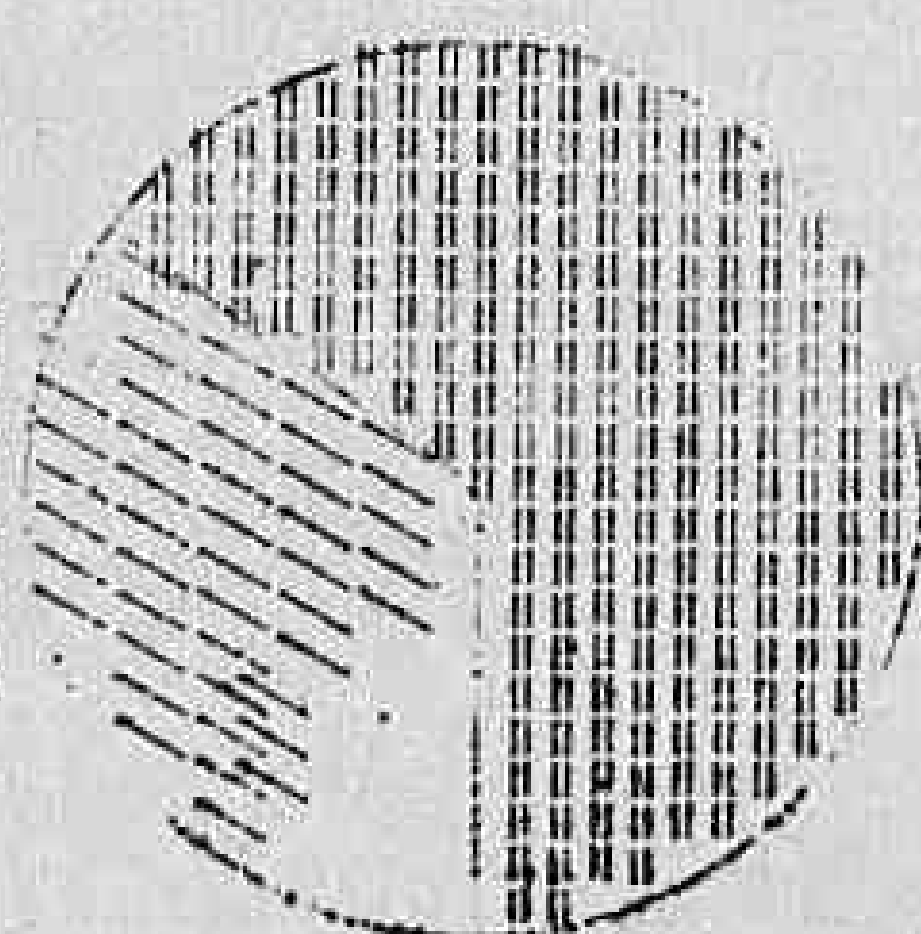
Sept. 1943

F.M. 20.93%  
R. 23.24%  
B.M. 55.83%



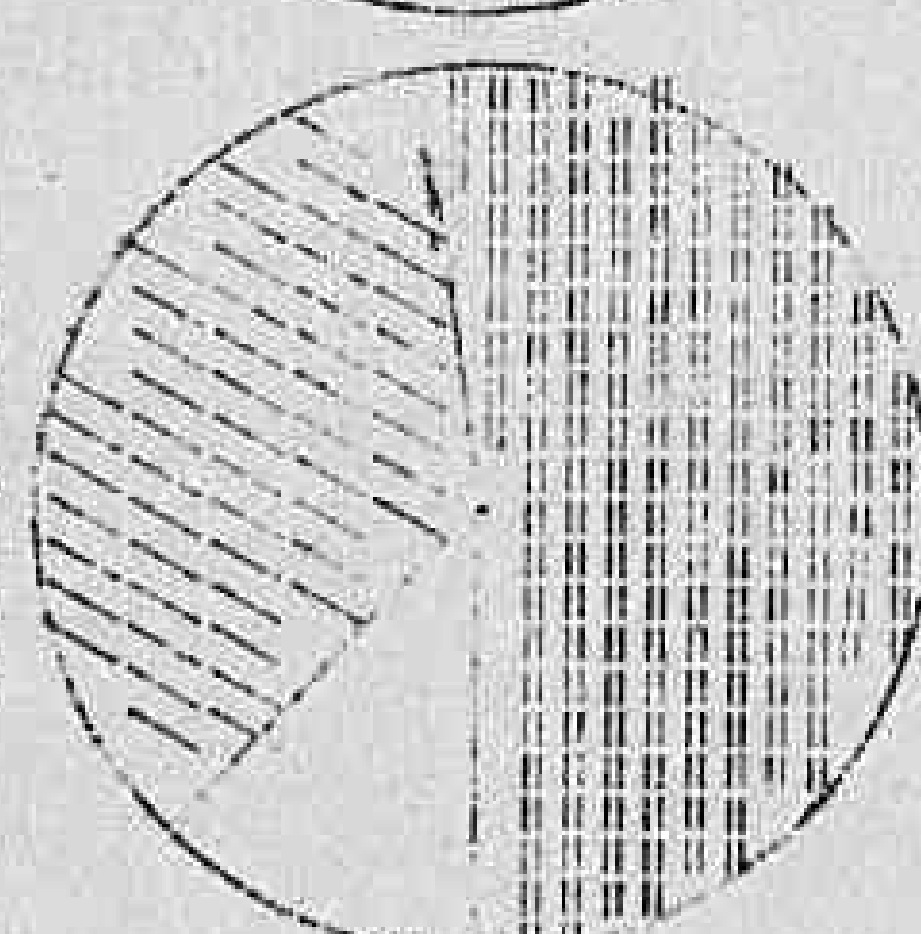
Dec. 1943

F.M. 6.68%  
R. 30.60%  
B.M. 62.72%



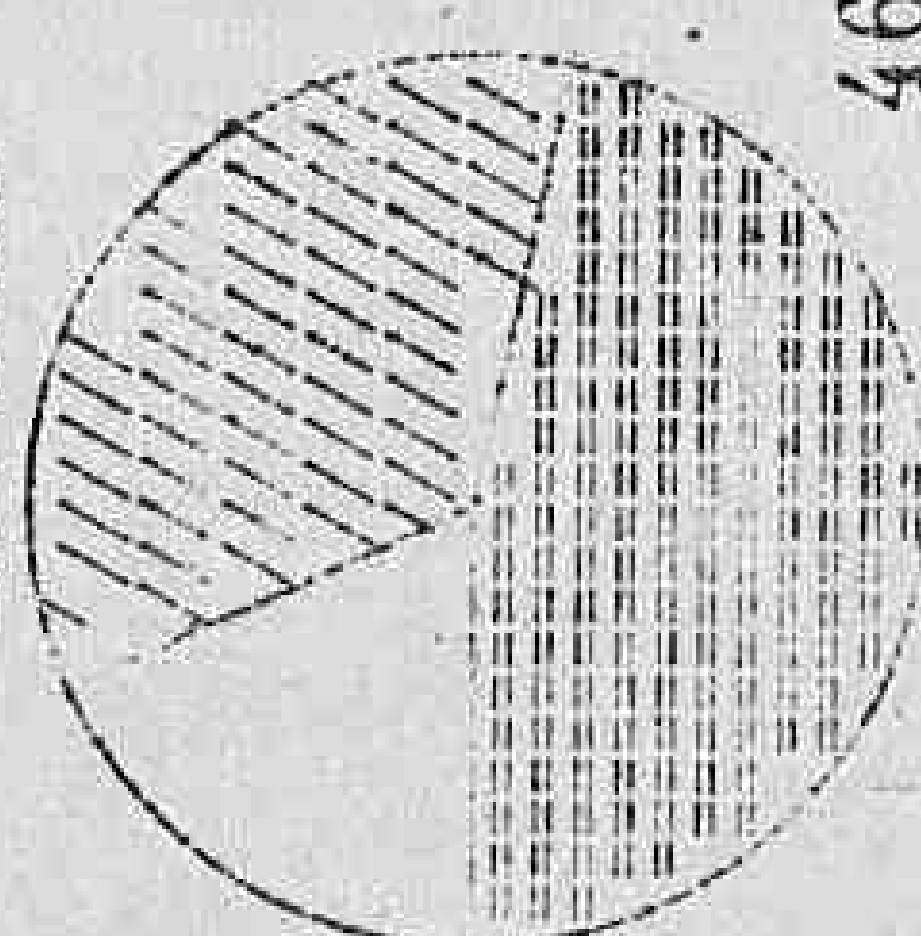
March 1944

F.M. 11.89%  
R. 36.13%  
B.M. 51.93%



April 1944

F.M. 18.09%  
R. 36.03%  
B.M. 45.88%



May 1944

4686

LEGEND

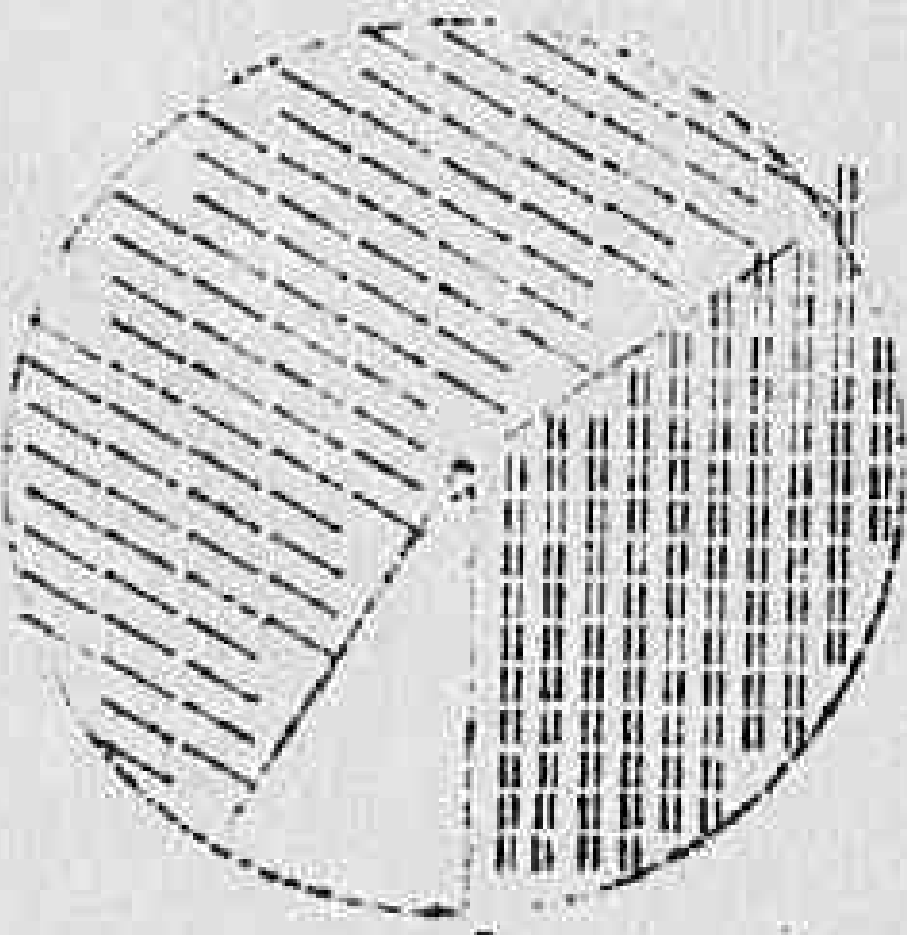
F.M. ☐ Free Market

R. ☐ Ration

B.M. ☐ Black Market

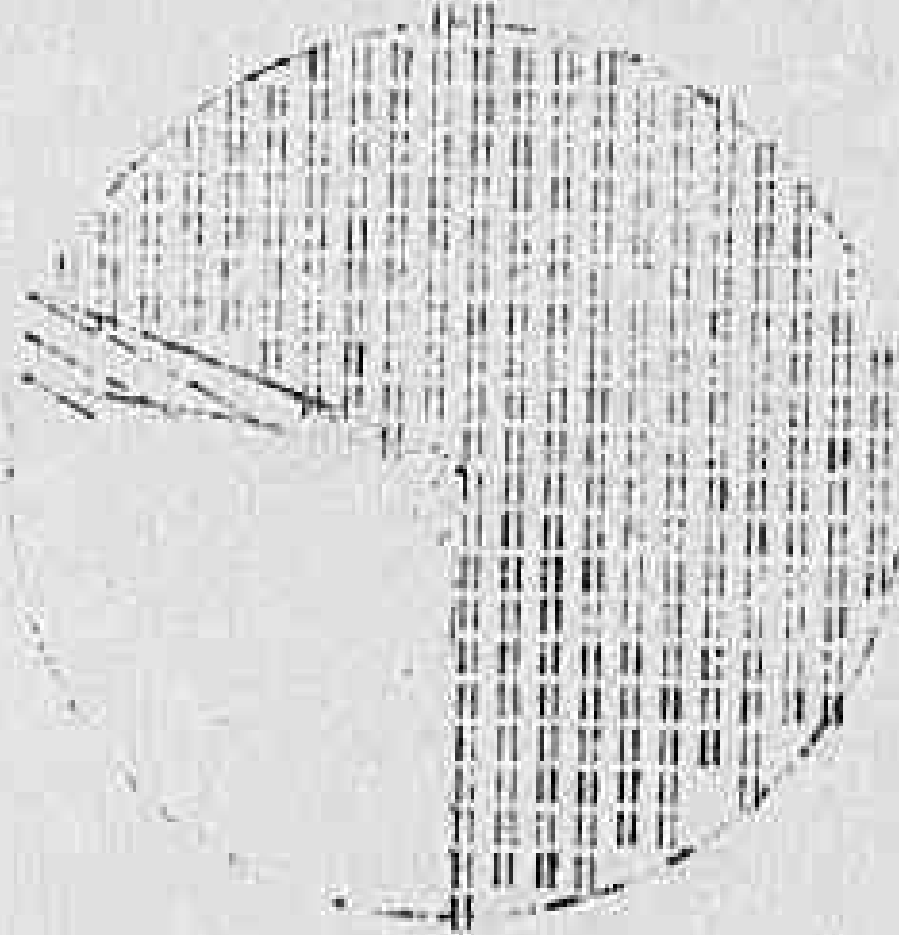
Declassified E.O. 12356 Section 3.3/NND No. 785016

F.M. 8.95%  
R. 53.03%  
B.M. 38.02%



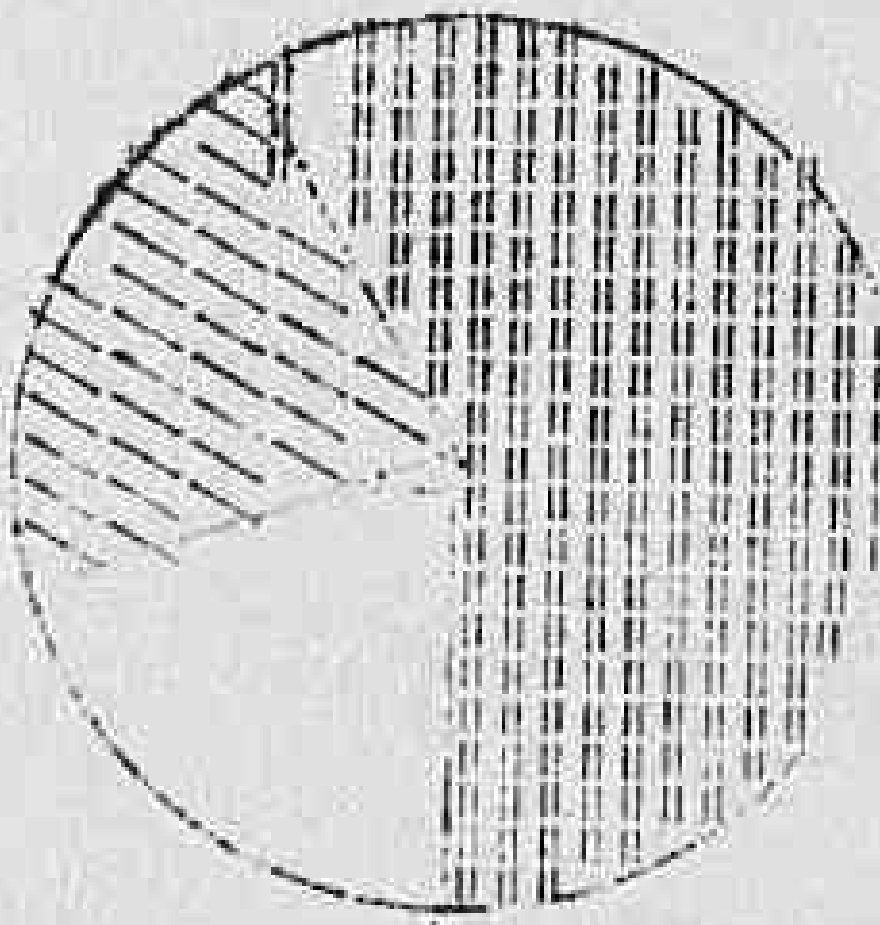
June 1943

F.M. 29.24%  
R. 2.34%  
B.M. 68.42%



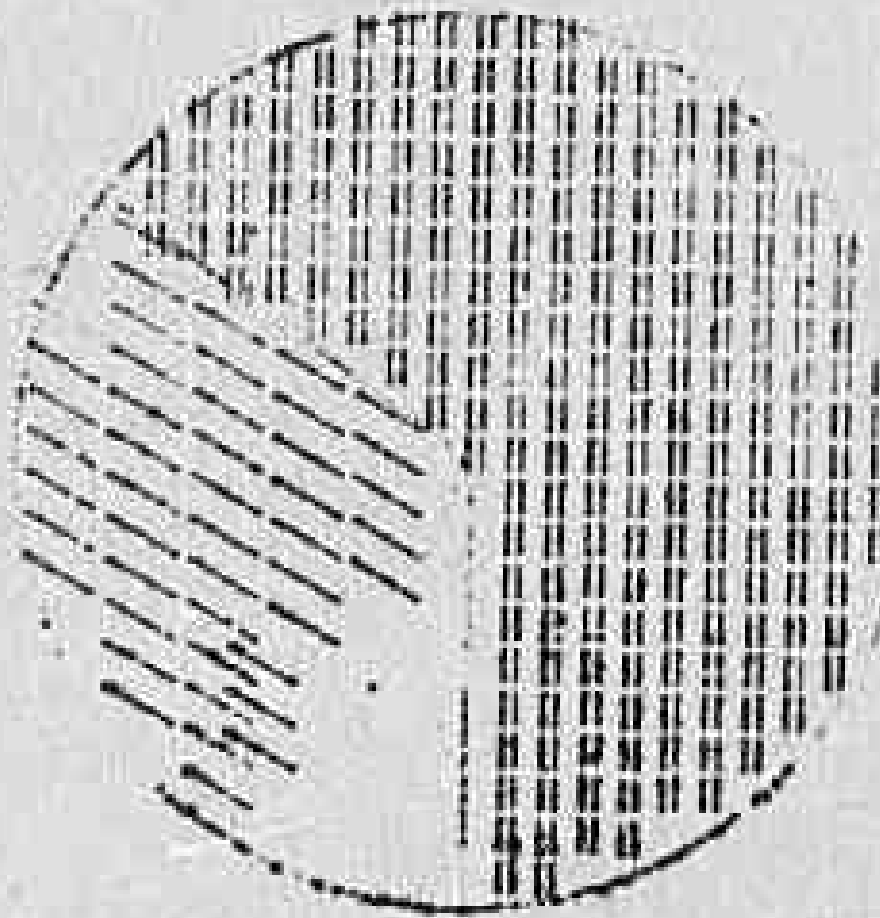
Sept. 1943

F.M. 20.93%  
R. 23.24%  
B.M. 55.83%



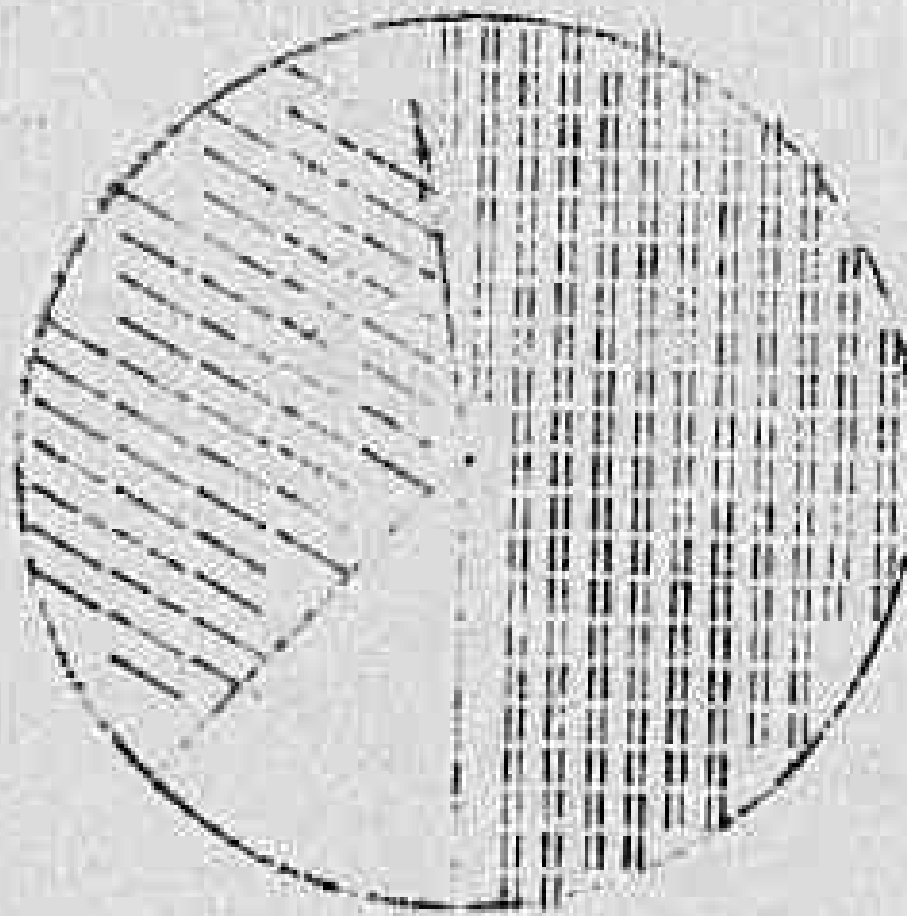
Dec. 1943

F.M. 6.68%  
R. 30.60%  
B.M. 62.72%



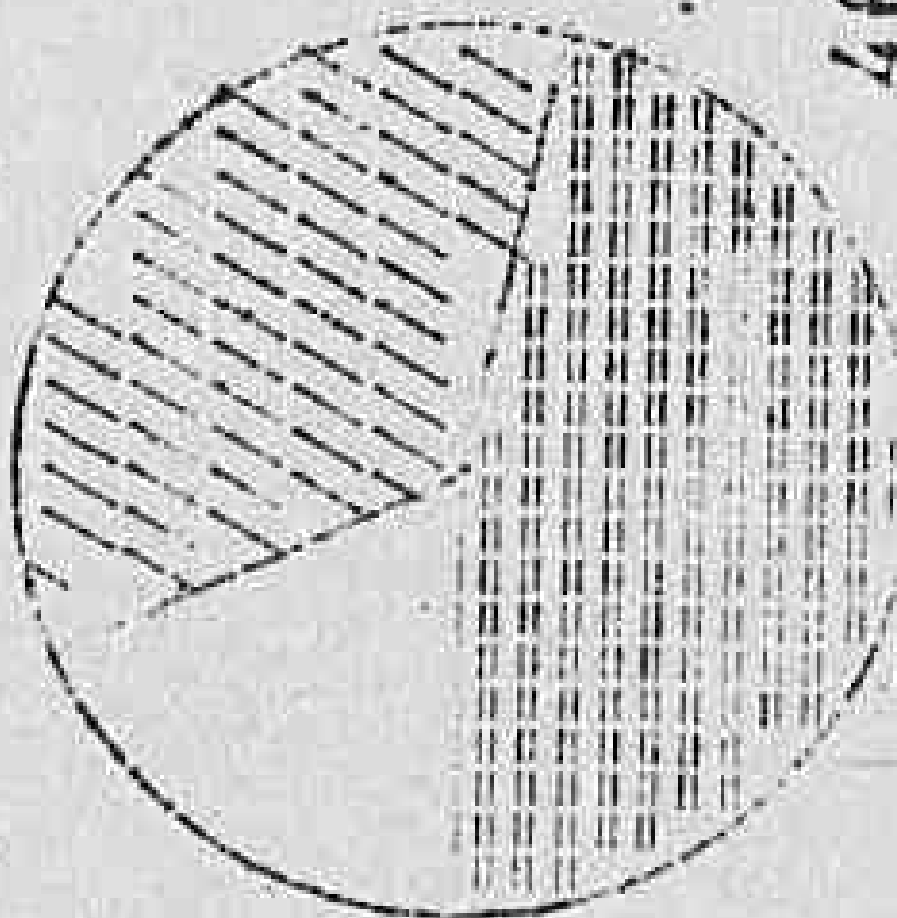
March 1944

F.M. 17.89%  
R. 36.18%  
B.M. 51.93%



April 1944

F.M. 18.09%  
R. 36.03%  
B.M. 45.88%



May 1944

4686

LEGEND

F.M. Free Market  
R. Rationed  
B.M. Black Market

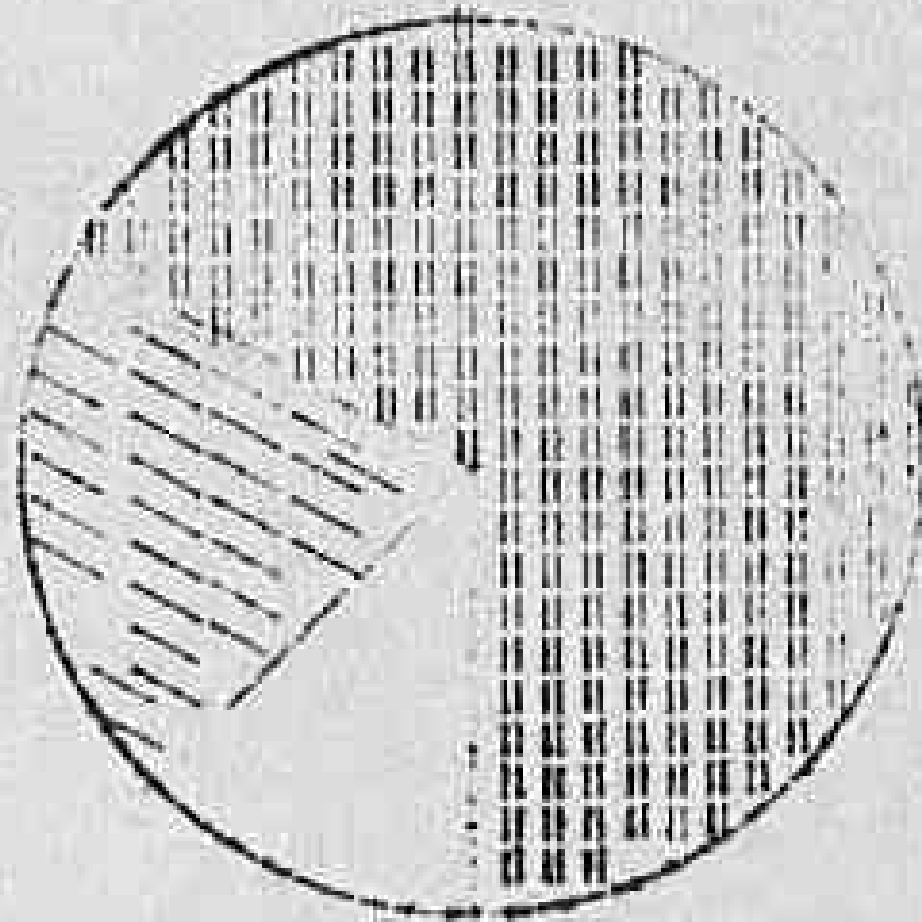
Chart "A"

Declassified E.O. 12356 Section 3.3/NND No. 785016

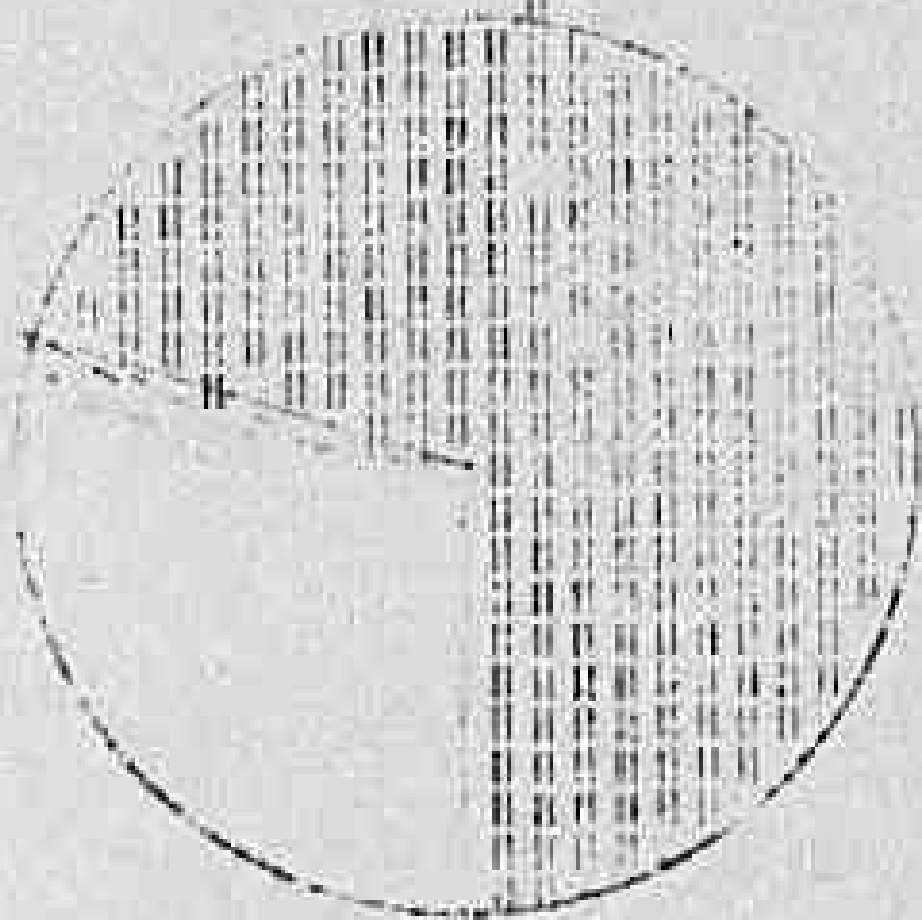
"WHERE THE TYPICAL FAMILY PURCHASES ITS FOOD"

This chart is designed to show the percentage of food purchased either through the "Ration" in the "Free Market" and the "Black Market"

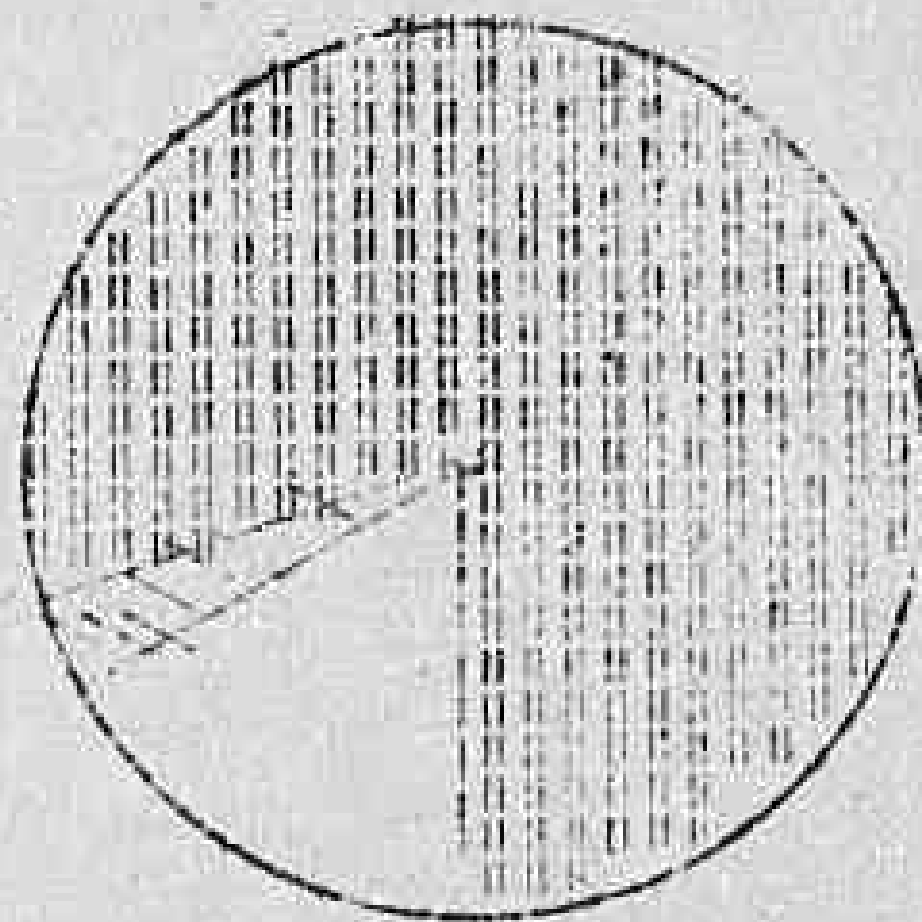
F.M. 12.76%  
R. 20.33%  
B.M. 66.95%



F.M. 29.00%  
R. 1.00%  
B.M. 70.00%



F.M. 16.97%  
R. 2.67%  
B.M. 80.36%

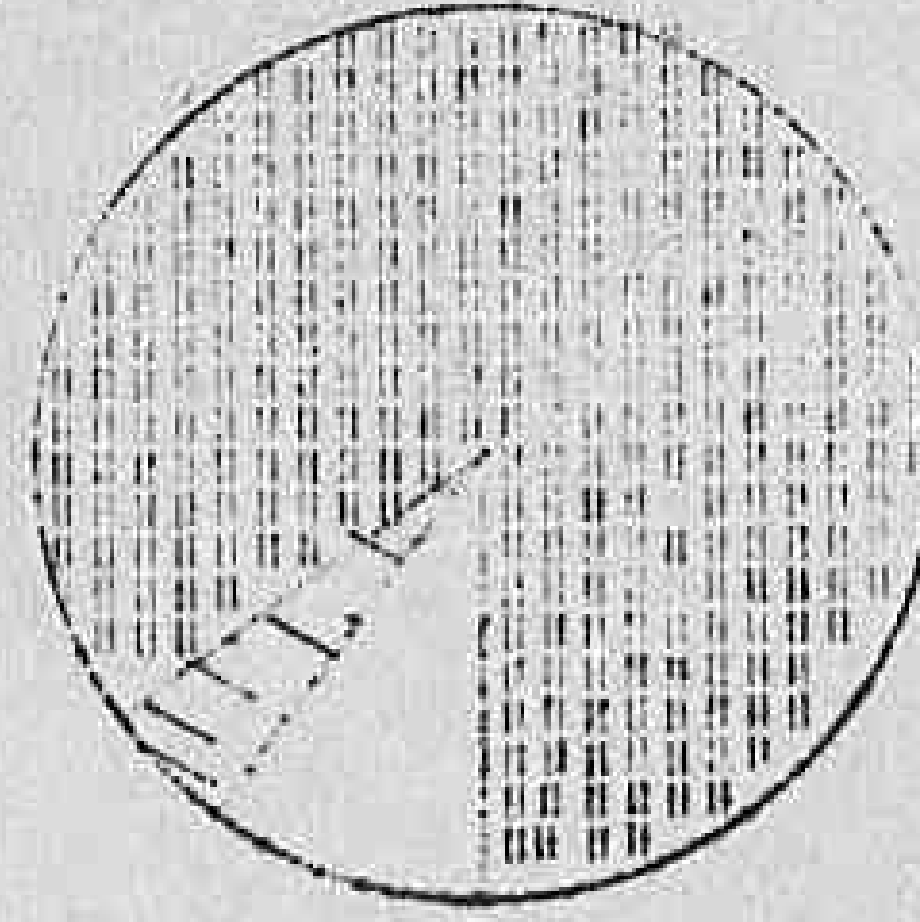


JUNE 1943

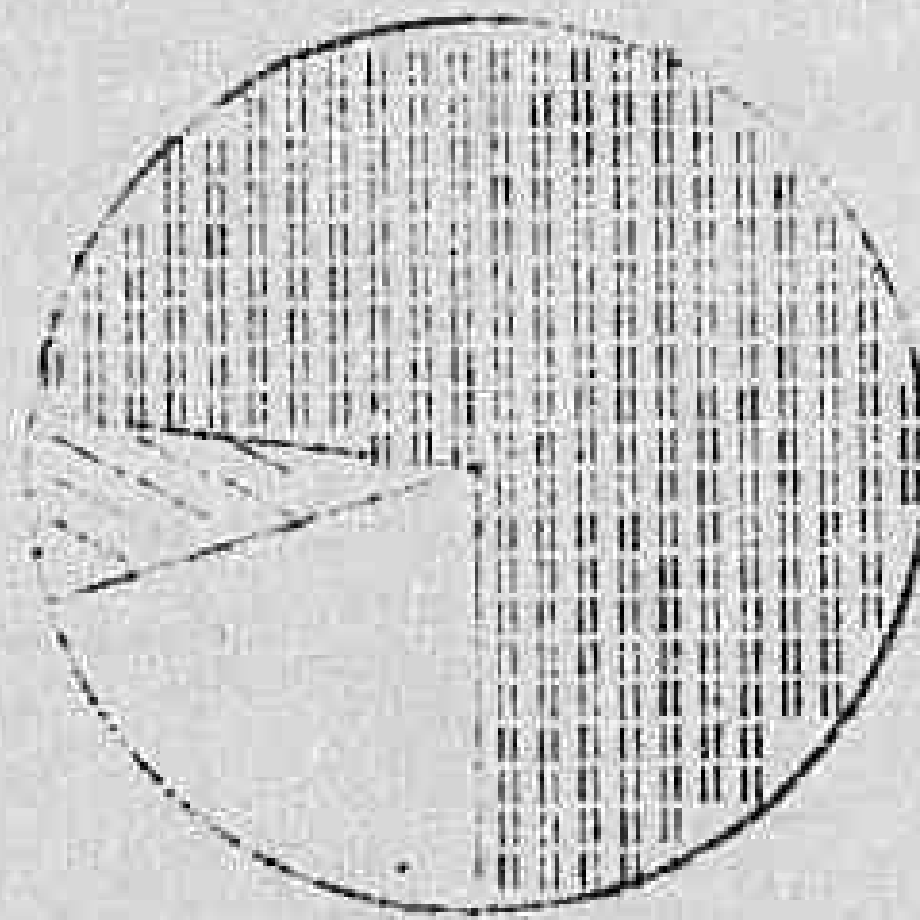
DEC. 1943

MAY 1944

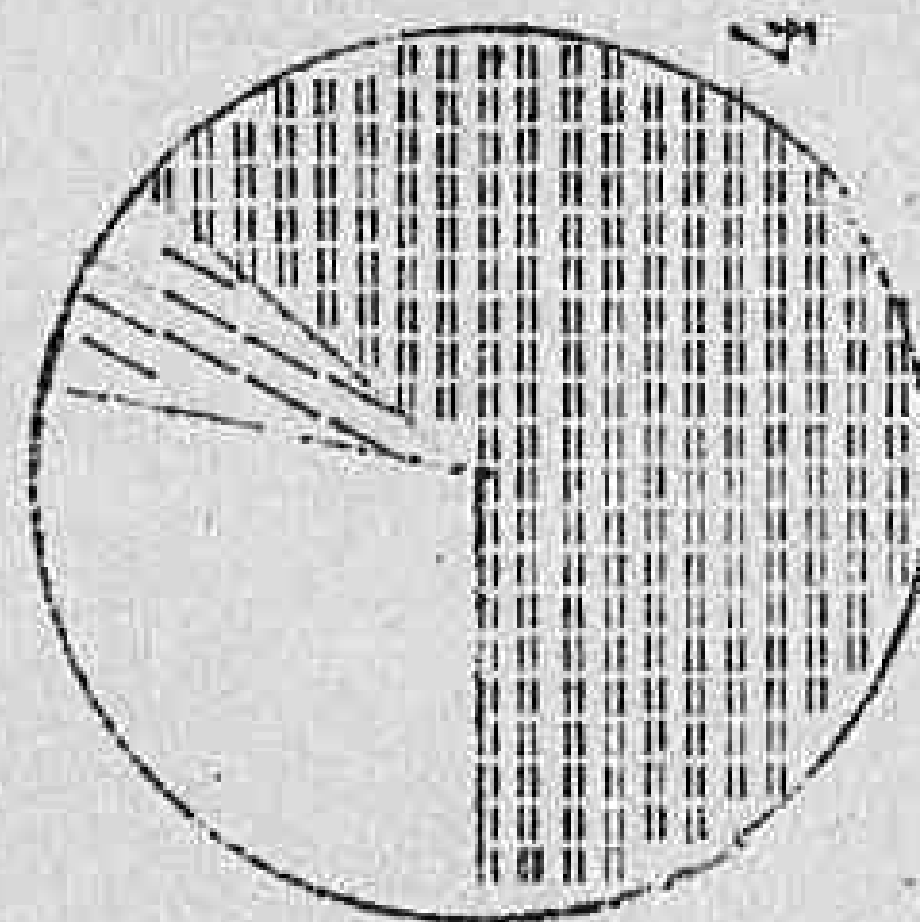
F.M. 3.57%  
R. 4.13%  
B.M. 36.25%



F.M. 20.10%  
R. 5.51%  
B.M. 73.99%



F.M. 34.06%  
R. 6.06%  
B.M. 59.88%



MARCH 1944

APRIL 1944

MAY 1944

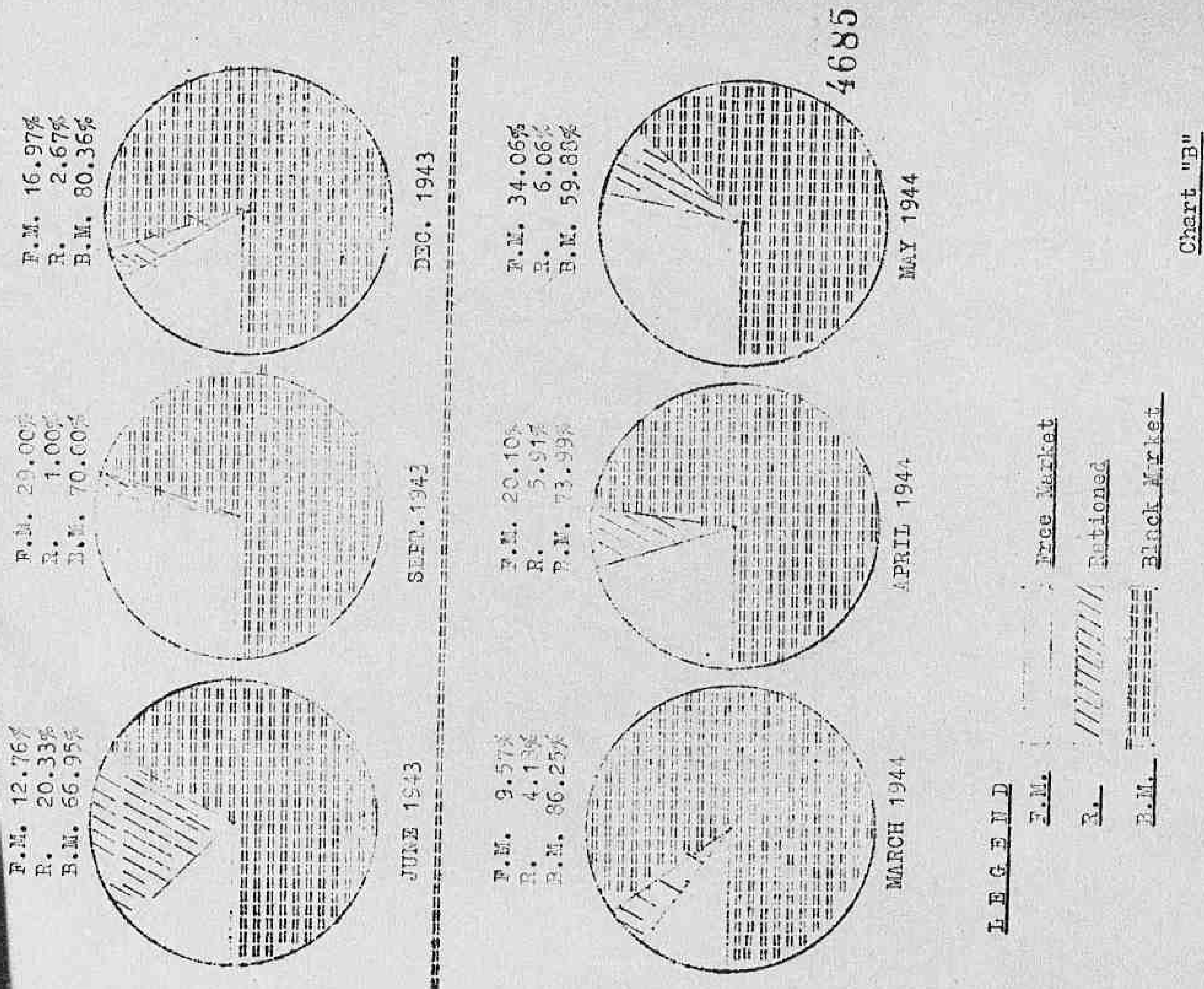
LEGEND

F.M.

Free Market

4685

Declassified E.O. 12356 Section 3.3/NND No. 785016



LEGEND

- F.M. Free Market
- R. Rationed
- B.M. Black Market

Chart "B"

0 4 5 7

Declassified E.O. 12356 Section 3.3/NND No.

785016

Copy N.16

as for

25 JUL 1944

ST+B  
File

ECONOMIC

FACTS AND FACTORS

oooooooo

A monthly bulletin published by the  
Economics & Supply Division of Region 3.

oooooooo

MARCH 1944

4684

24 Jul  
1944

FOREWORD

1. The statistics and economic data contained in this bulletin concern the three provinces of Naples, Avellino and Benevento. They have particular reference to Naples City.
2. The bulletin has been compiled in the Price Office of the Economics & Supply Division, ACC/Region 3. Lieutenant A. B. Arnoldy, who is in charge of the Regional Price Office, gratefully acknowledges the assistance he has received from Dr. Vladimir Charin and from the other statisticians employed by the Price Office. He also thanks Dr. Ranaudo, Director of the Merceological and Chemical Laboratory of the Naples Chamber of Commerce for the valuable information he has contributed concerning the caloric values of foods; and Captain Walter Neuburg, temporarily on loan from V Army to the Alimentation Section of Region 3, for his helpful suggestions and assistance in editing this brochure.
3. The chief purpose of the bulletin is to provide a reliable cost of living index for the three provinces of Region 3 based solely on official price records.
4. In future the bulletin will be published monthly. Subsequent issues will be much briefer than the present one.

FOREWORD

1. The statistics and economic data contained in this bulletin concern the three provinces of Naples, Avellino and Benevento. They have particular reference to Naples City.
2. The bulletin has been compiled in the Price Office of the Economics & Supply Division, ACC/Region 3. Lieutenant A. B. Arnoldy, who is in charge of the Regional Price Office, gratefully acknowledges the assistance he has received from Dr. Vladimir Charin and from the other statisticians employed by the Price Office. He also thanks Dr. Ranando, Director of the Mercological and Chemical Laboratory of the Naples Chamber of Commerce for the valuable information he has contributed concerning the caloric values of foods; and Captain Walter Neuburg, temporarily on loan from V Army to the Alimentation Section of Region 3, for his helpful suggestions and assistance in editing this brochure.
3. The chief purpose of the bulletin is to provide a reliable cost of living index for the three provinces of Region 3 based solely on official price records.
4. In future the bulletin will be published monthly. Subsequent issues will be much briefer than the present one.

Declassified E.O. 12356 Section 3.3/NND No.

785016

INTRODUCTION

The following comprehensive Index shows the extent of the rise in costs in each category under discussion in this study. The Months of June 1943 and September 1943 are used, respectively, as 100.

| Description                                | June 1943 | Sept. 1943 | Dec. 1943 | March 1944 |
|--------------------------------------------|-----------|------------|-----------|------------|
| <u>WEEKLY EXPENSE FOR FOOD</u>             | 397.15    | 814.50     | 1134.05   | 1760.45    |
| Index using June as 100                    | 100       | 205.0      | 285.5     | 443.2      |
| Index using Sept. as 100                   |           | 100        | 139.2     | 216.1      |
| <u>WEEKLY EXPENSE FOR CLOTHING</u>         | 108.65    | 162.47     | 259.16    | 545.32     |
| Index using June as 100                    | 100       | 149.5      | 238.5     | 501.9      |
| Index using Sept. as 100                   |           | 100        | 159.5     | 335.6      |
| <u>WEEKLY EXPENSE FOR DWELLING</u>         | 49.27     | 49.27      | 49.27     | 49.60      |
| Index using June as 100                    | 100       | 100        | 100       | 100.6      |
| Index using Sept. as 100                   |           | 100        | 100       | 100.6      |
| <u>WEEKLY EXPENSE FOR HEAT &amp; LIGHT</u> | 8.94      | 34.02      | 72.20     | 58.73      |
| Index using June as 100                    | 100       | 380.5      | 807.6     | 768.7      |
| Index using Sept. as 100                   |           | 100        | 212.20    | 202.0      |
| <u>WEEKLY MISCELLANEOUS EXPENSES</u>       | 61.42     | 67.16      | 139.98    | 207.34     |
| Index using June as 100                    | 100       | 109.3      | 227.9     | 337.5      |
| Index using Sept. as 100                   |           | 100        | 208.4     | 308.7      |
| <u>TOTAL WEEKLY EXPENSE</u>                | 625.43    | 1127.42    | 1654.66   | 2631.44    |
| INDEX USING JUNE AS 100                    | 100       | 180.2      | 264.5     | 420.7      |
| INDEX USING SEPTEMBER AS 100               |           | 100        | 146.7     | 233.4      |

9461

Declassified E.O. 12356 Section 3.3/NND No.

785016

### COST OF LIVING TRENDS

This study of the cost of living in Region 3 enables us to:

1. Follow the cost of living trends in the City of Naples;
2. Gauge the effect of military occupation on the people, on the price structure in general, and on commodities of prime necessity in particular;
3. Visualize living conditions which prevailed prior to the Allied occupation;
4. Understand the principal causes for the rise in living costs, which had started prior to that occupation.

Prior to September 1943 ( month in which the German Army assumed practical control of the local economy ), those prices which most directly affect the cost of living had been maintained at comparatively low levels, for the following reasons:

- a) The Italian Government froze some commodities and blocked the prices of nearly all others, including salaries;
- b) Currency circulation was on a normal war-time basis;
- c) The German army ( at least prior to September 1943 ) was not an army of occupation in the true sense of the word;

4681

- d) Food, although scarce, was obtainable also from the North and an adequate ration was being given;
- e) Although a black market existed, prices were moderate because of fairly adequate supplies.

In September a change in conditions took place due to the following causes:

- a) Enemy destruction of existing food stores;
- b) Enemy destruction of public utilities, industrial plants and machinery, resulting in mass unemployment;
- c) Enemy destruction of warehouses and granaries;
- d) Enemy destruction of lines of communication.

Upon assuming civil control in Region 3, Allied Military Government was faced with additional problems of an urgent economic nature due to the necessity to:

1. Import large quantities of food for the Italian civilian population;
2. Stabilize the currency;
3. Curb expenditure by Allied Military personnel on local purchases;
4. Combat the increase in Black Market buying;
5. Withstand upward pressure and consequent rise in wage scales due to necessity of buying in the Black Market.

4680

In attempting a study of the cost of living in Naples we have based our findings on a plan evolved here some years ago and accepted by the Central Institute of Statistics in determining the minimum requirements of a family of 5 consisting of two adults and three children under ten years of age. It will show:

- I. The cost of food;
- II. The cost of clothing;
- III. The cost of dwellings;
- IV. The cost of heating and lighting;
- V. Miscellaneous expenses ( Medicines, Education, Transportation etc.)

#### I. FOOD

The Scientific Commission "Interalliée de Ravitaillement" during its meeting in Paris, France in October 1918 established that a minimum of 3300 gross calories is required by an adult daily. The Naples City Plan is based on a requirement of only 2600 calories daily and is therefore 700 calories deficient from the above minimum set as a standard by physiologists. In order to permit comparison with previous indexes, our calculations are based on the needs established by the City of Naples. The caloric requirement for children is computed as 70% of the adult normal.

See the following table showing the number of calories required by typical family.

Fig. 1

Calories required by typical family

| Family                         | Calories 3000<br>per person as<br>required by<br>scientists | Calories 2600<br>per person as<br>required in<br>Naples City<br>Plan |
|--------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|
| 2 adults                       | Cal. 6000                                                   | Cal. 5200                                                            |
| 3 children under<br>10 years   |                                                             |                                                                      |
| 3000 x 3 x .70                 | " 6300                                                      |                                                                      |
| against 2600 x                 |                                                             |                                                                      |
| 3 x .70                        |                                                             | " 5460                                                               |
| Daily total gross<br>calories  | " 12300                                                     | " 10660                                                              |
| Weekly total gross<br>calories | " 86100                                                     | " 74620                                                              |

In order to maintain proper diets it is necessary to make intermittent substitutions of foods for those no longer available in the free market or which are priced high. However, this important factor must be taken into consideration; that the public at large is unconcerned with scientifically determined nutritive or caloric values of various foods but buys what it can afford and what it likes.

The following table indicates the quantity of the monthly ration distribution per person during the months considered in this study. It will be seen that as the available supply of food increases either the existing ration scale also increases or, alternatively, new items which had

not been available previously are added to the official distribution.

Monthly Ration Distribution per Person

Fig.2

| Items            |     | Quantity     |                   |                  |               |
|------------------|-----|--------------|-------------------|------------------|---------------|
|                  |     | June<br>1943 | September<br>1943 | December<br>1943 | March<br>1944 |
| Bread            | Kg. | 4.500        | 1.330             | 3.500            | 6.000         |
| Pasta            | "   | 2.500        | -                 | .500             | -             |
| Rice             | "   | .400         | -                 | -                | -             |
| Oil              | "   | .320         | -                 | .458             | .182          |
| Fats             | "   | .050         | -                 | -                | -             |
| Sugar            | "   | .500         | -                 | -                | -             |
| Eggs             | n.  | 2            | -                 | -                | -             |
| Cheese           | Kg. | .200         | -                 | -                | .200          |
| Meat             | "   | .300         | -                 | -                | -             |
| Potatoes         | "   | .300         | -                 | -                | -             |
| Powdered soup    | "   | -            | -                 | -                | .250          |
| Dried vegetables | "   | -            | -                 | -                | .250          |
| Salt             | "   | -            | -                 | -                | .500          |

In addition to the above ration, Evaporated milk was distributed through pharmacies for children when ordered by physician.

To show the extent of price rises in the black market over those quoted officially we list a few, in tabular form, of the more important food items:

4677

Declassified E.O. 12356 Section 3.3/NND No.

785016

Fig.3

Table showing official and black market prices

| Items        |     | June 1943 |       | Sep. 1943 |        | Dec. 1943 |        | Mar. 1944 |        |
|--------------|-----|-----------|-------|-----------|--------|-----------|--------|-----------|--------|
|              |     | Off.      | B/M   | Off.      | B/M    | Off.      | B/M    | Off.      | B/M    |
| Bread        | Kg. | 2.50      | 50.-  | 2.50      | 85.-   | 3.60      | 130.-  | 3.60      | 130.-  |
| Flour        | "   | 2.30      | 55.-  | 2.30      | 70.-   | 4.10      | 150.-  | 3.60      | 190.-  |
| Flour (corn) | "   | 1.80      | 25.-  | 1.80      | 40.-   | 3.75      | 110.-  | 3.75      | 145.-  |
| Rice         | "   | 3.45      | 30.-  | 3.45      | 60.-   | 4.00      | 170.-  | 4.-       | 290.-  |
| Potatoes     | "   | 4.-       | 6.-   | 4.-       | 7.-    | 7.-       | 17.-   | 12.-      | 37.-   |
| Dry Figs     | "   | -         | 36.-  | -         | 40.-   | 27.-      | 65.-   | 31.-      | 78.-   |
| Pasta        | "   | 3.10      | 35.-  | 3.10      | 70.-   | 5.-       | 220.-  | 5.10      | 250.-  |
| Sugar        | "   | 7.65      | 40.-  | 9.10      | 120.-  | 15.-      | 180.-  | 15.-      | 310.-  |
| Wine         | Lt. | 4.-       | 6/50  | 4.-       | 10.-   | 14.-      | 25.-   | 14.-      | 45.-   |
| Barley       | Kg. | -         | 20.-  | -         | 27.-   | -         | 90.-   | -         | 120.-  |
| Milk         | "   | 2.60      | 8.-   | 2.60      | 11.-   | 7.-       | 25.-   | 13.-      | 35.-   |
| Beans        | "   | 6.15      | 28.-  | 6.15      | 38.-   | 11.-      | 150.-  | 13.-      | 190.-  |
| Beef         | "   | 18.50     | 70.-  | 32.-      | 90.-   | 34.-      | 120.-  | 34.-      | 270.-  |
| Eggs (each)  | "   | 1.80      | 5.-   | 2.-       | 10.-   | 4.-       | 20.-   | 4.-       | 22.-   |
| Cheese       | "   | 24.10     | 120.- | 24.85     | 130.-  | 35.-      | 220.-  | 96.-      | 420.-  |
| Coffee       | "   | -         | 700.- | -         | 1000.- | -         | 1300.- | -         | 1100.- |

For further descriptive charts

("Price rise in Basic Food Items"

See Appendix "A" Fig.4-(showing ratio between official &  
(Black Market prices.

" "A" Fig.5- "Caloric value of Foods"

Fig.6

Food cost index for typical family

| Weekly expense     | Lit. | June 1943 | Sept. 1943 | Dec. 1943 | Mar. 1944 |
|--------------------|------|-----------|------------|-----------|-----------|
|                    |      | 397.15    | 814.50     | 1134.05   | 1760.45   |
| Index using June   |      |           |            |           | 4675      |
| as 100 increase is | 100  |           | 205.5      | 285.5     | 443.2     |
| Index using Sept.  |      |           |            |           |           |
| as 100 increase is |      |           | 100        | 139.2     | 216.1     |

See Appendix A. -- Fig.7 showing the percentage of food purchased by a typical family respectively on the ration, on the free market and on the Black Market.

## II - CLOTHING

The table covering this category is attached as Appendix B -- Fig.8. In preparing the table, we included such items as are necessary and obtainable at the present time. Certain articles of clothing which are temporarily unobtainable have, for the purpose of the table, been substituted by items which correspond as nearly as possible with the original types.

Fig.9

| Explanation                           | June 1943 | Sept. 1943 | Dec. 1943 | Mar. 1944 |
|---------------------------------------|-----------|------------|-----------|-----------|
| Weekly expense                        | 108.65    | 162.47     | 259.16    | 545.32    |
| Index using June as 100.-Increase is  | 100.      | 149.5      | 238.5     | 501.9     |
| Index using Sept. as 100.-Increase is |           | 100.       | 159.5     | 335.6     |

## III. RENTALS

As rents were frozen by the Italian Government in 1940, this cost has remained the same. An average four room house or apartment has been used as a basis for this study.

Declassified E.O. 12356 Section 3.3/NND No.

785016

|                                 |             |
|---------------------------------|-------------|
| Aver. Annual rental per room    | Lit. 600.00 |
| x 4                             |             |
| Aver. Annual rental for 4 rooms | 2400.00     |
| Apartment tax at 6%             | 144.00      |
| Garbage removal tax             | 25.00       |
| Total annual cost               | 2569.00     |
| Weekly cost                     | 49.27       |

Fig. 10

| Rental                                                                                 | <u>Rental Index</u> |            |           |            |
|----------------------------------------------------------------------------------------|---------------------|------------|-----------|------------|
|                                                                                        | June 1943           | Sept. 1943 | Dec. 1943 | March 1944 |
| Weekly expense                                                                         | 49.27               | 49.27      | 49.27     | 49.60      |
| Index using June as 100.-increase is                                                   | 100.                | 100.       | 100.      | 100.60     |
| Index using Sept. as 100.-increase is                                                  |                     | 100.       | 100.      | 100.60     |
| The increase in the March column is due to a 10% increase in the garbage disposal tax. |                     |            |           |            |

See Chart Appendix C -- Fig. 11

IV. HEATING AND LIGHTING

The average amount of gas used for cooking is 365 Cu.M. per annum, electric power for illumination is 78 kwh. No heating expense has been considered because due to climatic conditions most houses are not equipped for this purpose. Gas service was completely

46%

disrupted by the Germans in September as well as a proportion of the electricity services, therefore for cooking purposes Charcoal had to be employed whereas for illumination many resorted to the use of candles. Prices for both these items are high.

See appendix "D" for chart on Heat and Light, Fig. 12

Fig. 13 Heat and Light Index

| Description                              | June<br>1943 | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 |
|------------------------------------------|--------------|---------------|--------------|---------------|
| Weekly expense                           | 8.94         | 34.02         | 72.20        | 68.73         |
| Index using June as<br>100.-increase is  | 100.         | 380.5         | 807.06       | 768.70        |
| Index using Sept. as<br>100.-increase is |              | 100.          | 212.20       | 202.00        |

#### V. MISCELLANEOUS EXPENSES

This category covers expenses for travel, insurance, school, replacement of household articles etc., and medical expenses. Medical expenses have been based on 10 physician calls annually for the family.

See Appendix "E" Fig. 14

Fig. 15

Miscellaneous expense Index

| Description                              | June<br>1943 | Sept.<br>1943 | Dec.<br>1943 | March<br>1944 |
|------------------------------------------|--------------|---------------|--------------|---------------|
| Weekly expenses                          | 61.42        | 67.16         | 139.98       | 207.34        |
| Index using June as<br>100.-increase is  | 100.         | 109.3         | 227.9        | 337.5         |
| Index using Sept. as<br>100.-increase is |              | 100.          | 208.4        | 308.7         |

From the foregoing information and the comprehensive chart attached as appendix "F" Fig. 16, it will be seen that the cost of living has risen steadily since June 1943. The conclusions drawn are not pleasant particularly from the standpoint of the salaried employee, whose earnings have risen but slightly in ratio to the rise in the cost of living. Officially only a 70% increase in wages has been authorized. On the other hand the uncontrolled spending of Allied Military Personnel has pumped huge quantities of money into the markets and so into the hands of civilians whose earnings have in proportion increased with the sale of goods at higher prices; and this fact is in great part responsible for the inflationary tendencies so evident in the cost of living. Yet a factual view of the situation as a whole discloses encouraging aspects. Study of chart 16, Appendix "A" will enable you to appreciate this statement. For precipitate as may have been the rise in living costs over the total period from June 1943 through March 1944, it is important to note that for the period from Sept. 1943

through March 1944 the rise levels off markedly. In terms of percentage this change in the trend is, if anything; impressive.

Rise in living costs

|                              |        |
|------------------------------|--------|
| June 1943 through March 1944 | 320.7% |
| Sept. 1943 " March 1944      | 133.4% |

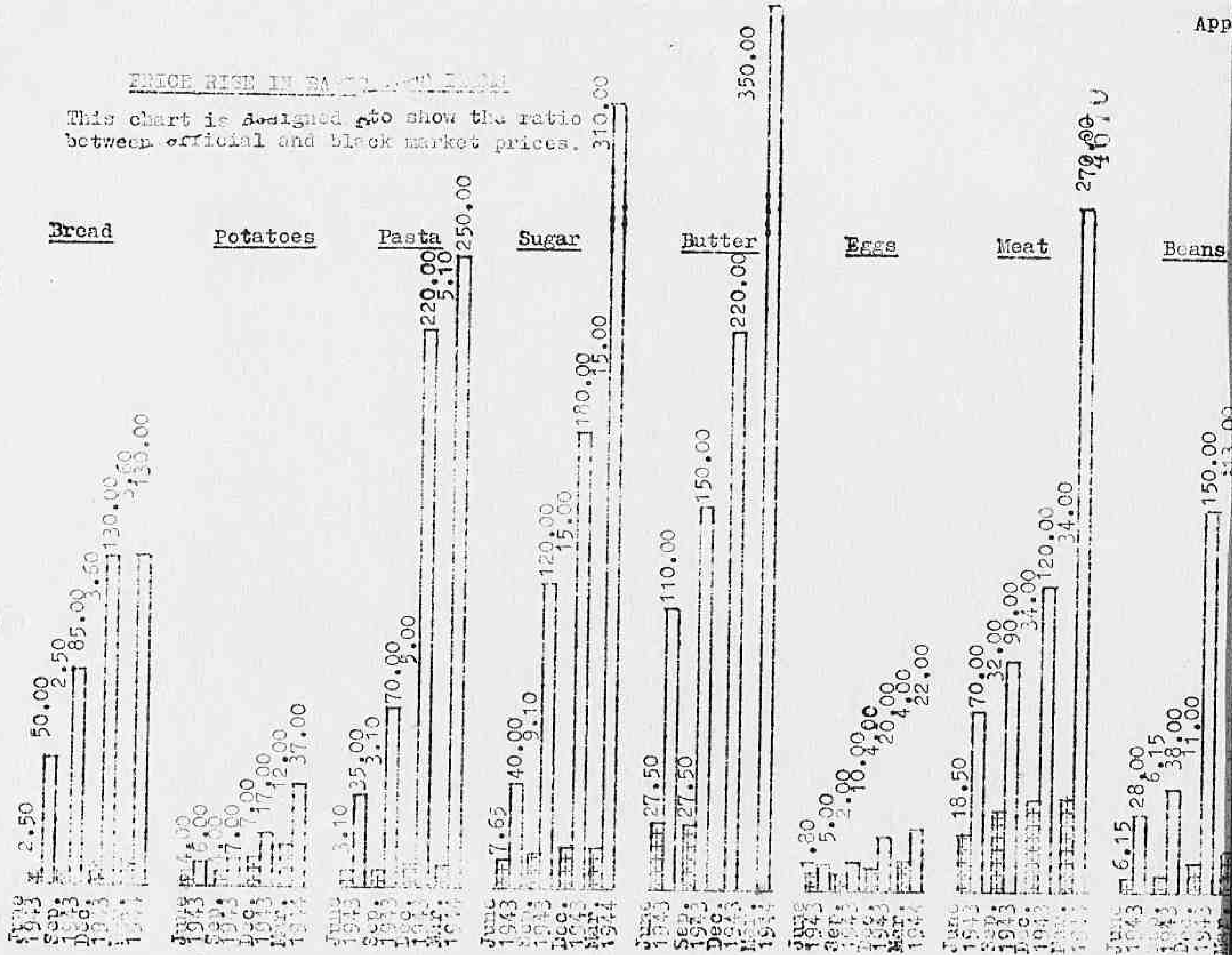
A more favorable picture than that shown by these figures, emerges if one retains the basic idea underlying the study. For while prices of individual items show marked increases a closer analysis discloses, that basing costs on the Naples City Plan which concerns itself only with minimum requirements, the category of food comprises 66% of the total family expenditure. Obviously if the limits of this Plan's requirements are exceeded either by supplementing the planned ration or purchasing substitutes of higher quality and/or quantity merely to gratify individual desires, the resultant price trend would assume an inflationary aspect. But if viewed within the scope of this plan, and more generally against the historic background of similar conditions elsewhere, resulting after other wars, the situation presented in the foregoing study is not alarming.

Declassified E.O. 12356 Section 3.3/NND No.

785016

PRICE RISE IN EARLY 1944

This chart is designed to show the ratio between official and black market prices.



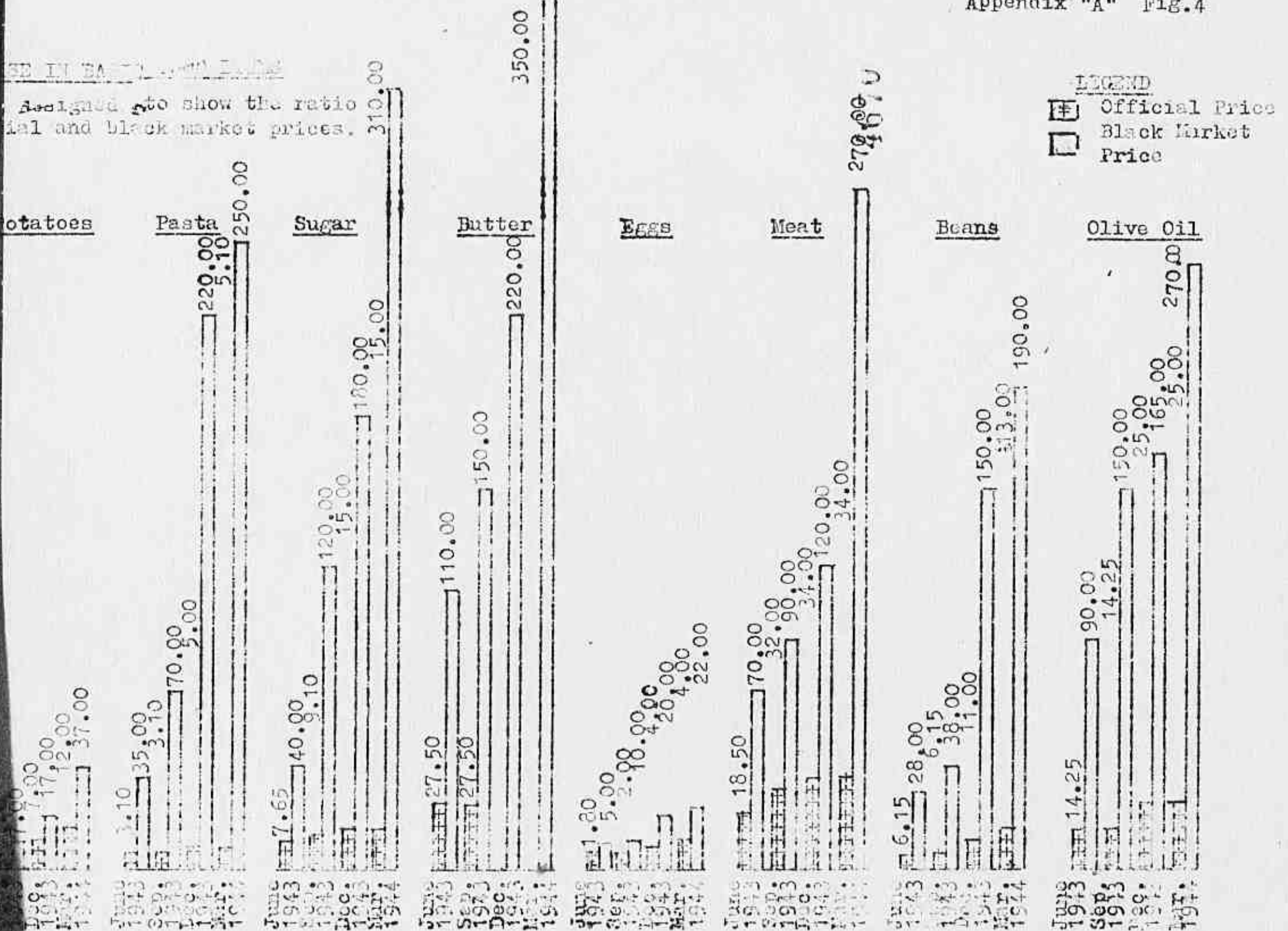
APP

Declassified E.O. 12356 Section 3.3/NND No.

785016

Appendix "A" Fig. 4

USE IN EASTERN EUROPE

Assigned to show the ratio  
of official and black market prices.

Declassified E.O. 12356 Section 3.3/NND No. 785016CALORIC VALUES OF FOODS

Appendix "A"

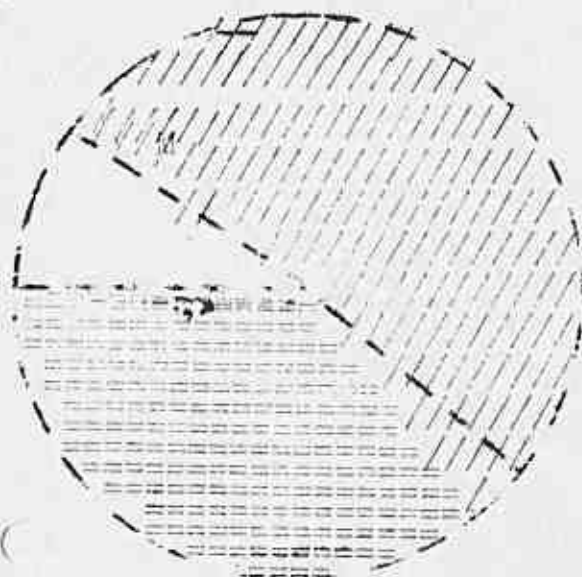
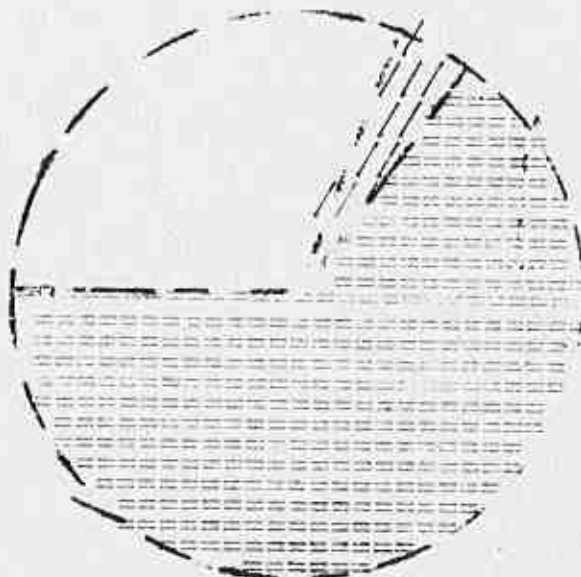
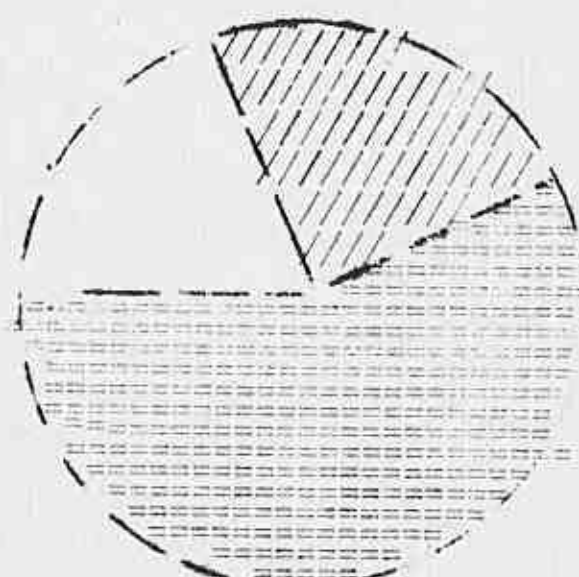
This chart is designed to show the caloric percentage of foods purchased through "Ration" in the "Free Market" or "Black Market".

F.M. 8.95%  
R. 53.03%  
B.M. 38.02%

F.M. 29.24%  
R. 2.34%  
B.M. 68.42%

F.M. 20.93%  
R. 23.24%  
B.M. 55.83%

F.  
R.  
B.

June - 1943Sept. - 1943Dec. - 1943MarLEGEND

|      |  |              |
|------|--|--------------|
| F.M. |  | Free Market  |
| R.   |  | Rationed     |
| B.M. |  | Black Market |

0475

Declassified E.O. 12356 Section 3.3/NND No.

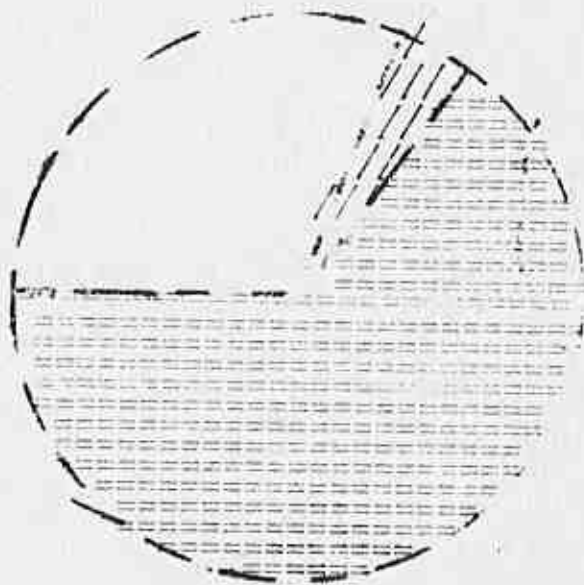
785016

CALORIC VALUES OF FOODS

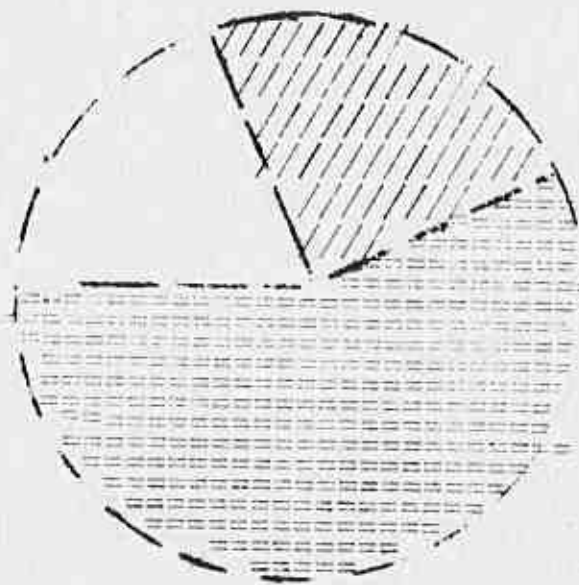
Appendix "A" Fig.5

Designed to show the caloric percentage of foods purchased through "Ration"  
 "Market" or "Black Market".

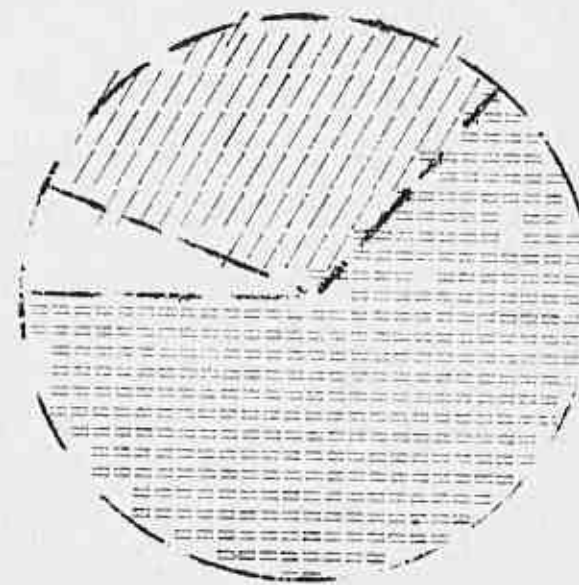
F.M. 29.24%  
 R. 2.34%  
 B.M. 68.42%

Sept. - 1943

F.M. 20.93%  
 R. 23.24%  
 B.M. 55.83%

Dec. - 1943

F.M. 6.68%  
 R. 30.60%  
 B.M. 62.72%

March - 1944Free MarketRationedBlack Market

0476

Declassified E.O. 12356 Section 3.3/NND No.

785016

App

WHERE THE TYPICAL FAMILY PURCHASES ITS

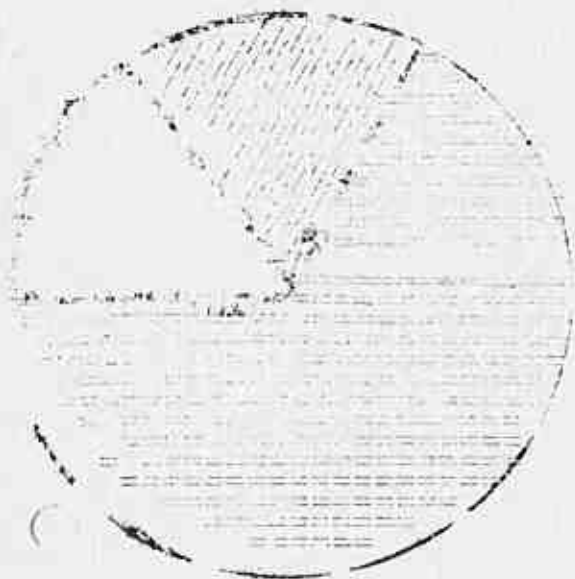
This chart is designed to show the percentage of food purchased either through the RATION, Free  
or the Black Market.

F.M. 12.76%  
 R. 20.33%  
 B.M. 66.95%

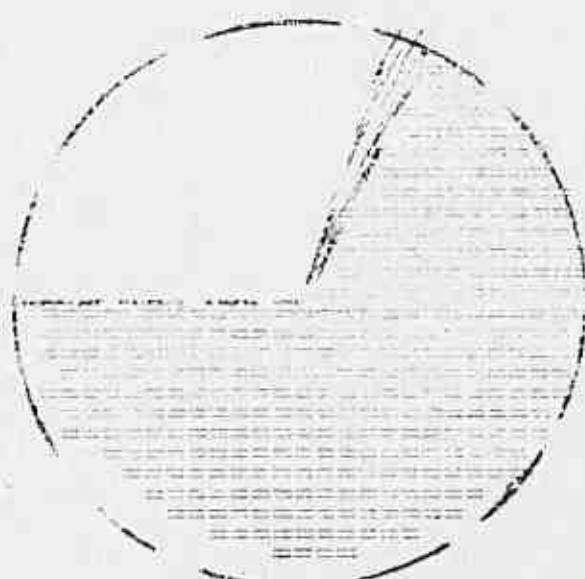
F.M. 29.00%  
 R. 1.00%  
 B.M. 70.00%

F.M. 16.97%  
 R. 2.67%  
 B.M. 80.36%

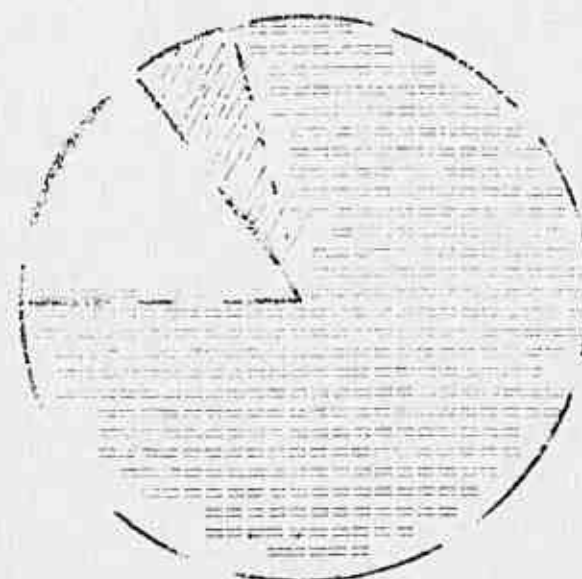
F.M.  
 R.  
 B.M.



June - 1943



Sept. - 1943

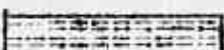


Dec. - 1943



March

LEGEND

F.M.  Free Market  
 R.  Rationed  
 B.M.  Black Market

0477

Declassified E.O. 12356 Section 3.3/NND No.

785016

Appendix "A" Fig. 7

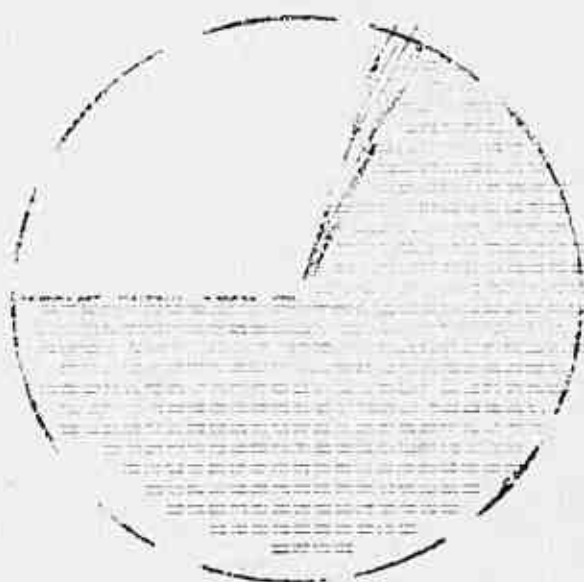
WHERE THE TYPICAL FAMILY PURCHASES ITS FOOD

designed to show the percentage of food purchased either through the RATION, Free Market  
Market.

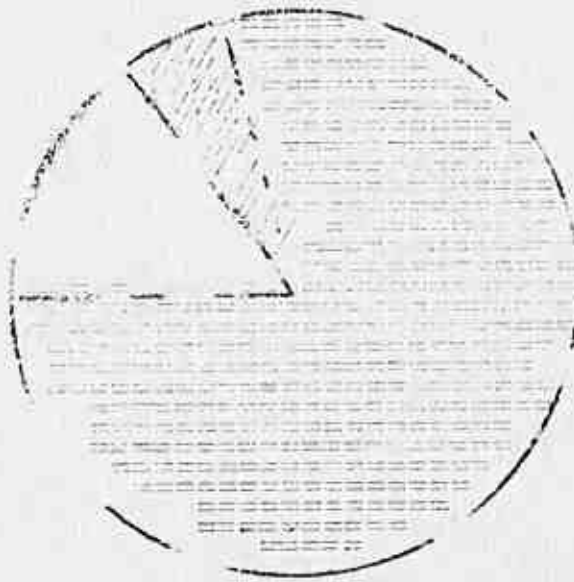
F.M. 29.00%  
R. 1.00%  
B.M. 70.00%

F.M. 16.97%  
R. 2.67%  
B.M. 80.36%

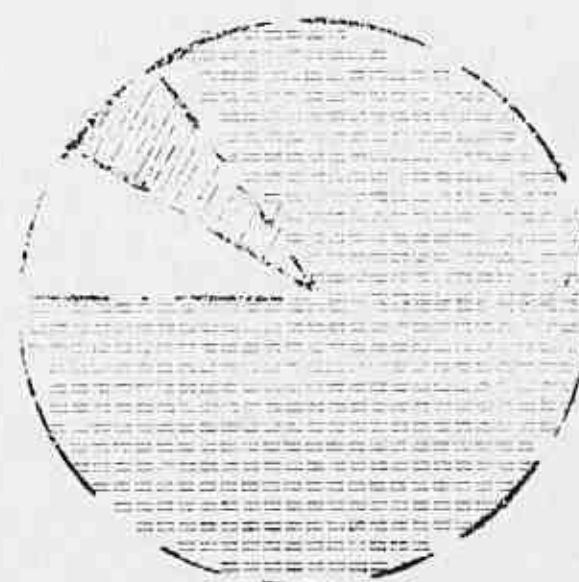
F.M. 9.57%  
R. 4.18%  
B.M. 86.25%



Sept. - 1943



Dec. - 1943



March - 1944

Free Market

Rationed

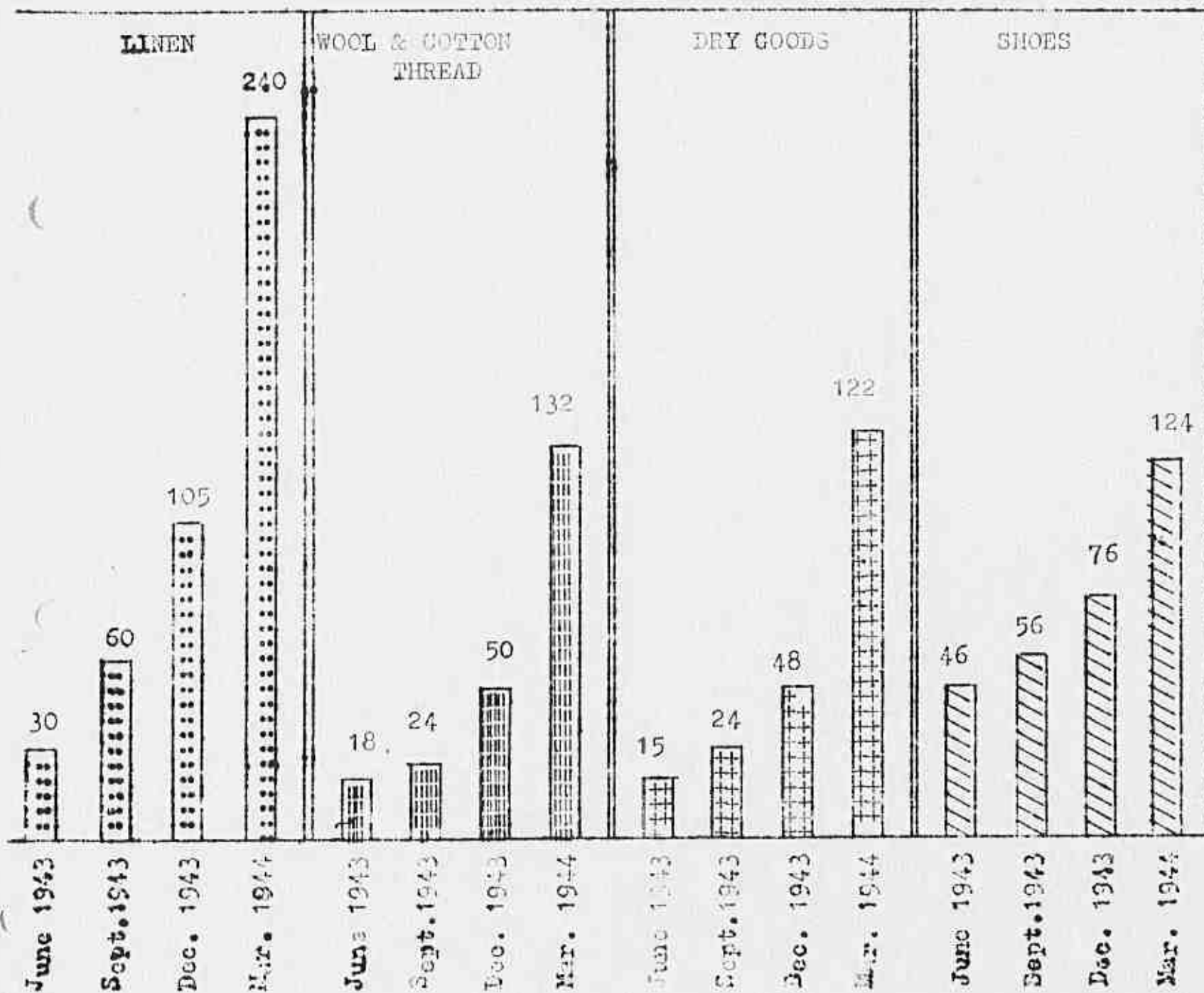
Black Market

Declassified E.O. 12356 Section 3.3/NND No.

785016

CLOTHING EXPENSE CHART

How the monthly cost of various items of clothing in the typical family budget changed during the period from June 1943 to March 1944 (family of 5).



Appendix

Percentage of  
the total weekly  
Clothing Expense  
of typical family

NOTE: June 1943  
Sept. 1943  
Dec. 1943  
Mar. 1944

I N D

September as

100

Sept

June as 100

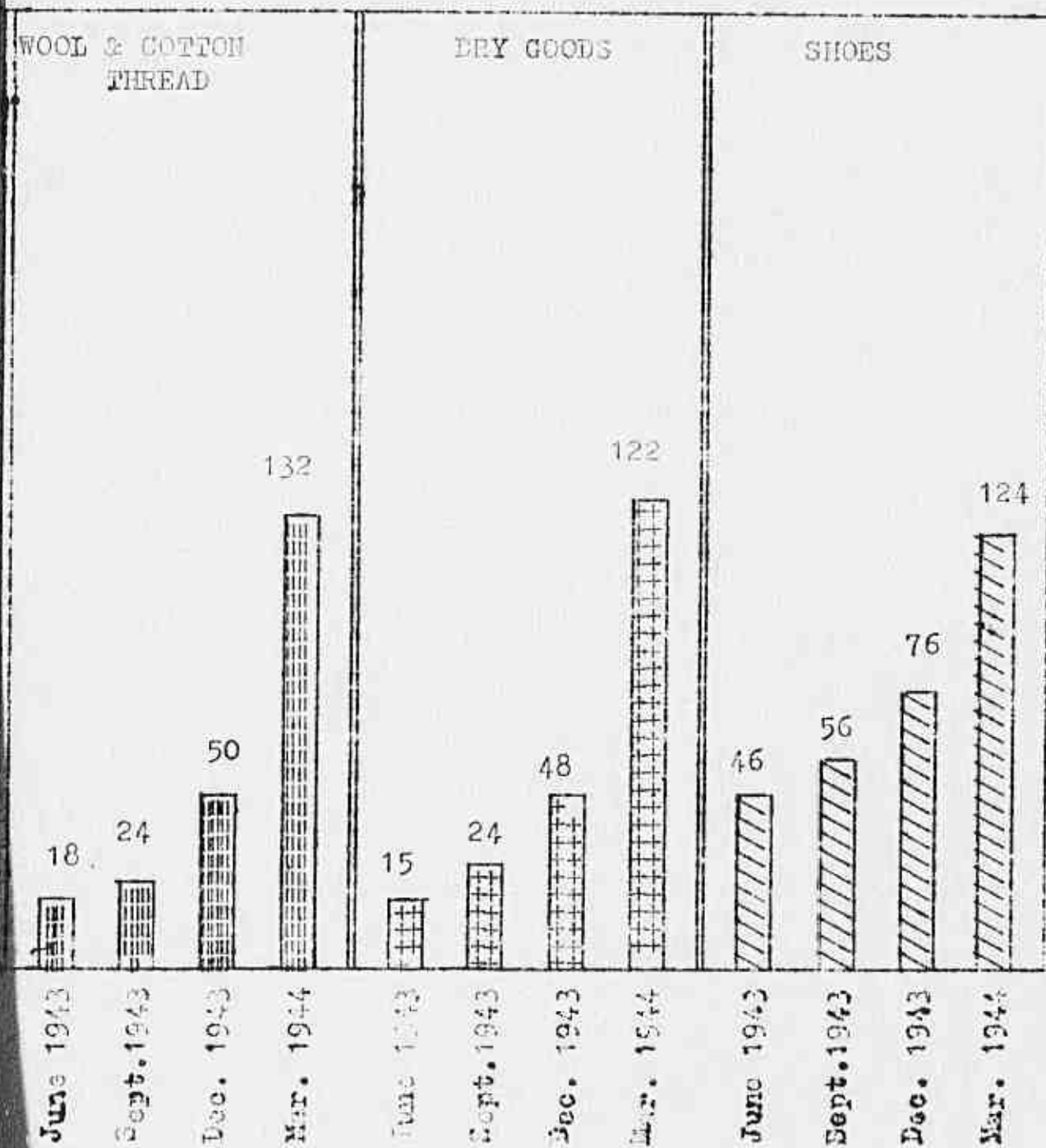
179

100

June Sept

Declassified E.O. 12356 Section 3.3/NND No. 785016CLOTHING EXPENSE CHART

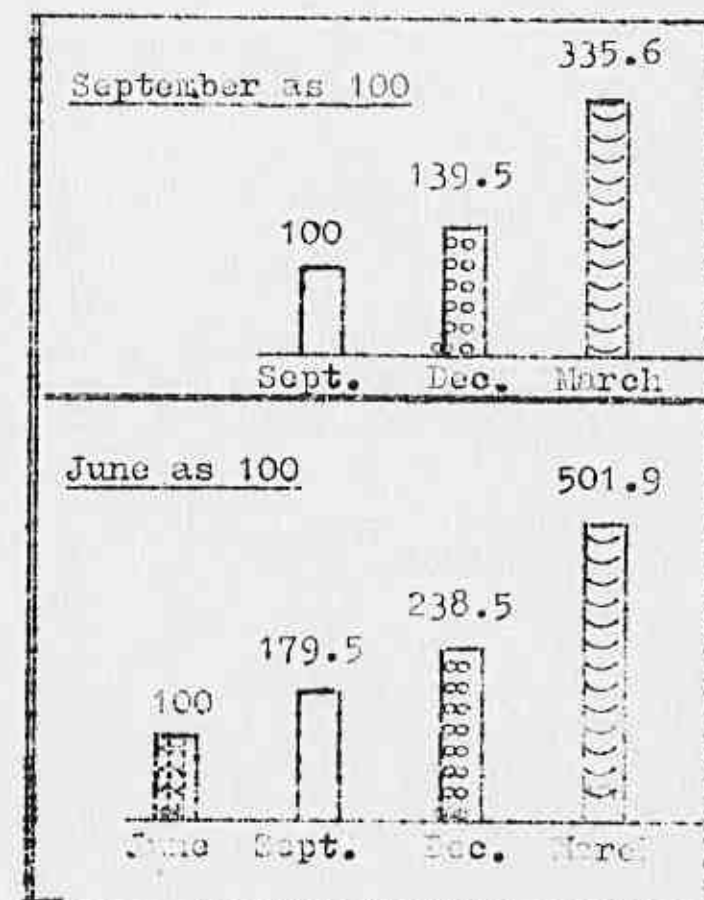
of various items of clothing in the typical family budget  
period from June 1943 to March 1944 (family of 3).



Appendix "B" Fig. 8

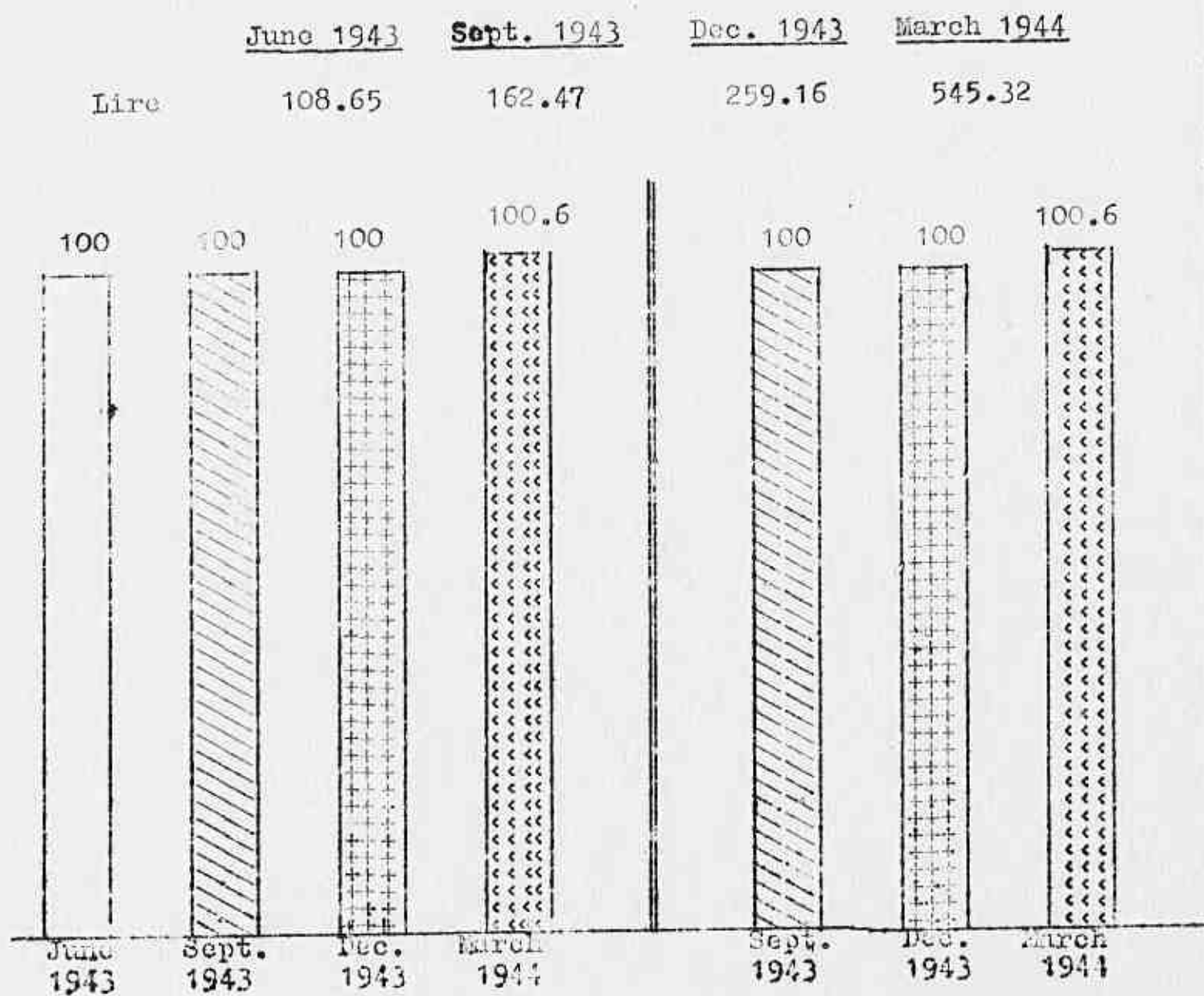
Percentage of increase in  
the total weekly cost of  
Clothing Expense items  
of typical family.

NOTE: June 1943 £. 108.65  
Sept. 1943 £. 162.47  
Dec. 1943 £. 259.16  
Mar. 1944 £. 545.32

I N D E X

Declassified E.O. 12356 Section 3.3/NND No.

785016

RENTAL INDEXWeekly expense.

NOT

466

As rents were  
the Italian Govern  
cost has remained  
An average four ro  
has been used as a  
study.

The increase in  
to a 10% increase  
disposal tax.

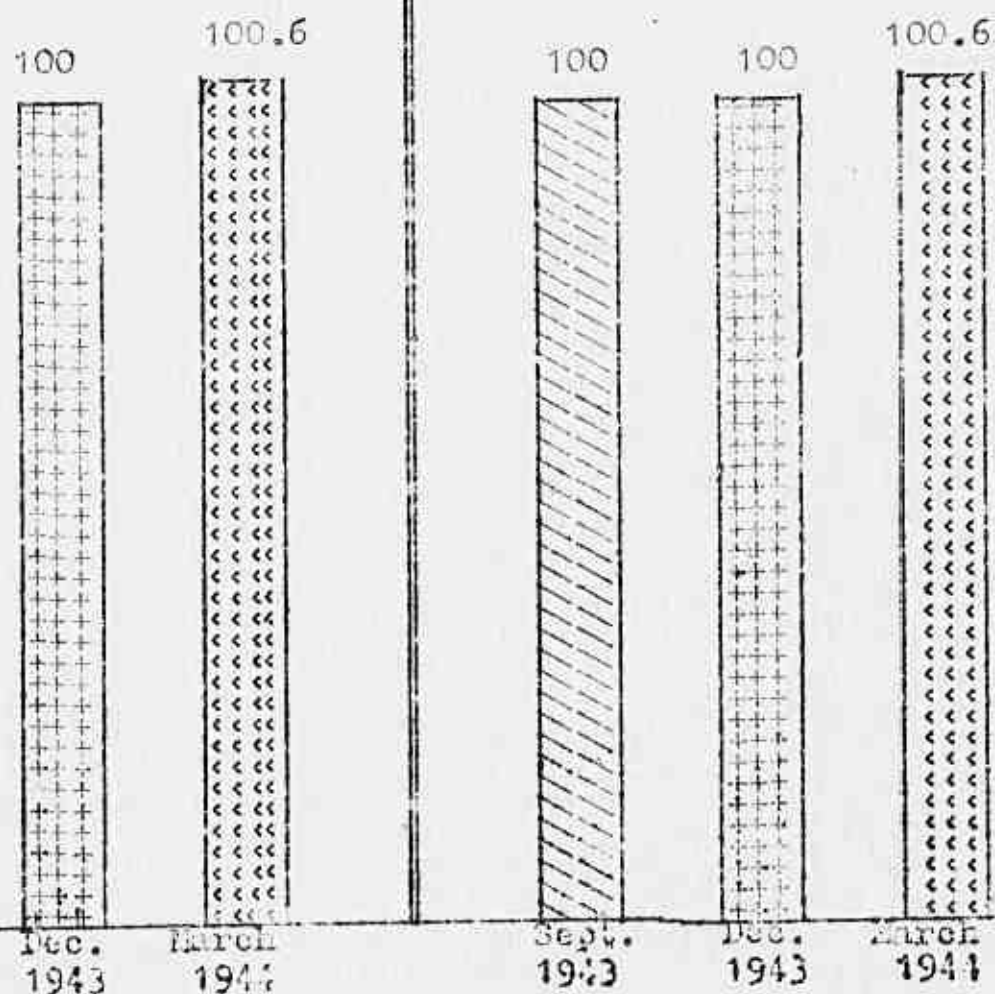
Declassified E.O. 12356 Section 3.3/NND No.

785016

RENTAL INDEX

pense.

| June 1943 | Sept. 1943 | Dec. 1943 | March 1944 |
|-----------|------------|-----------|------------|
| 108.65    | 162.47     | 259.16    | 545.32     |



Appendix C. Fig. 11.

NOTE

As rents were frozen by the Italian Government in 1940 this cost has remained the same. An average four room apartment has been used as a basis for this study.

The increase in March is due to a 10% increase in the garbage disposal tax.

Declassified E.O. 12356 Section 3.3/NND No.

785016

## HEAT AND LIGHT EXPENDITURE CHART

## COOKING

Low cost of fuel for cooking was increased due to disruption of gas services and necessitating the use of Charcoal sold at high prices.

## LIGHT

Showing the effect of the resumption of electric service on the cost of illumination in the home.



## LEGEND

Gas Charcoal Electricity Candles

Appendix

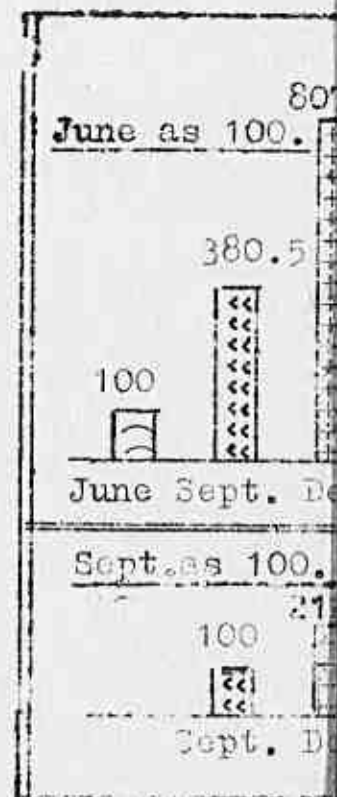
## NOTE.

Percentage of the total weekly and light of type

TOTAL WEEK

June 1943 -- Lit  
 Sept. 1943 -- "  
 Dec. 1943 -- "  
 Mar. 1944 -- "

## INDEX



Declassified E.O. 12356 Section 3.3/NND No.

785016

## HEAT AND LIGHT EXPENSE CHART

COOKING for cooking was increased Showing the effect of the resumption of electric service on the cost of illumination in the home.



Charcoal Electricity Candles

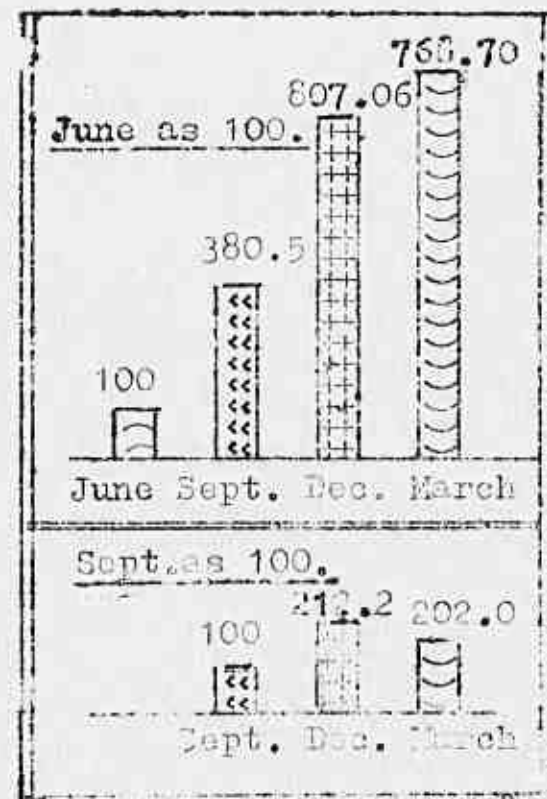
Appendix "D" Fig. 12

NOTE: Percentage of increase in the total weekly cost of heat and light of typical family.

## TOTAL WEEKLY EXPENSE

June 1943 — Lit. 8.94  
 Sept. 1943 — " 34.02  
 Dec. 1943 — " 72.20  
 Mar. 1944 — " 68.73

## INDEX

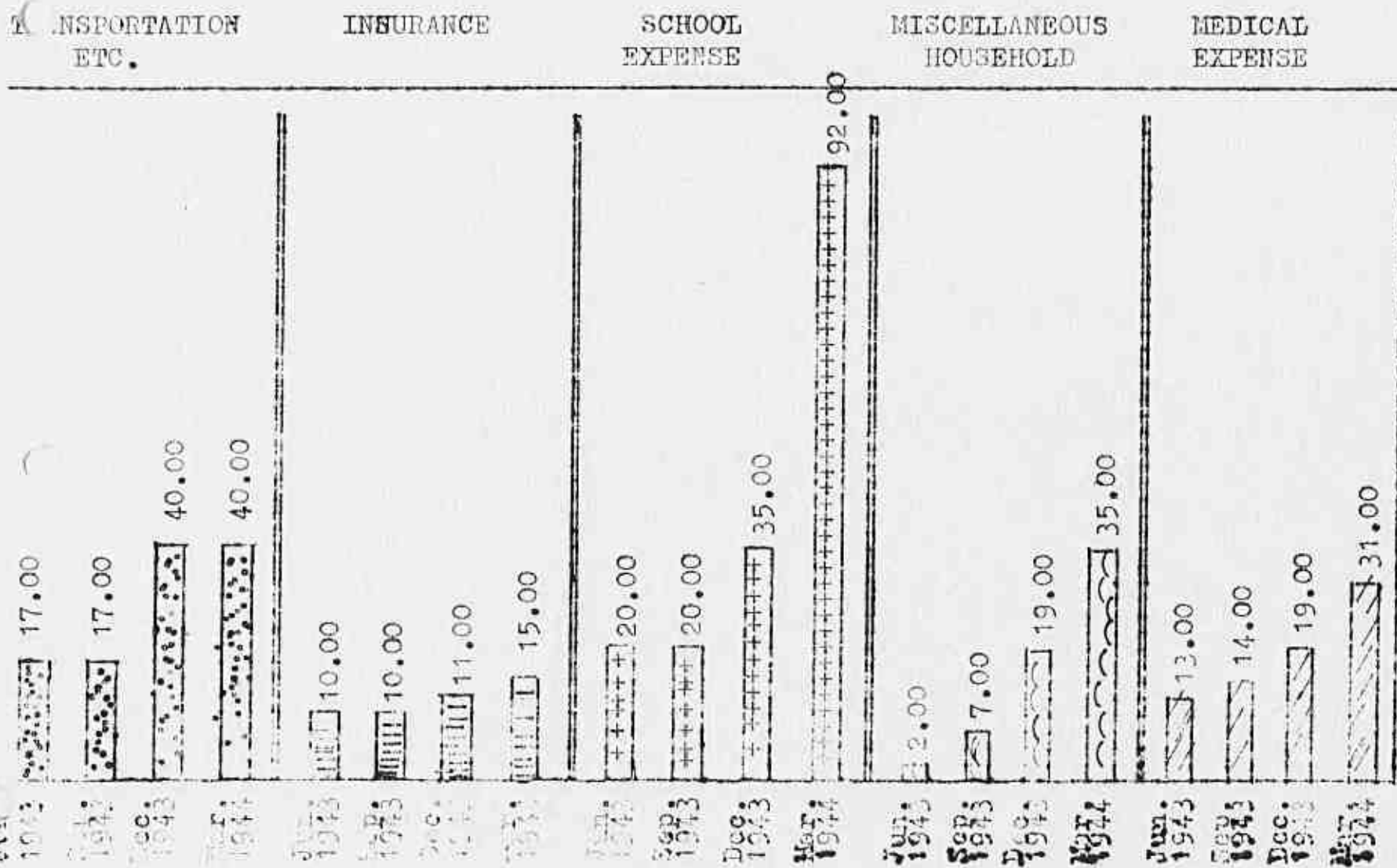


Declassified E.O. 12356 Section 3.3/NND No.

785016

MISCELLANEOUS EXPENSE CHART

How the weekly cost of various items comprising the Miscellaneous Expense in the typical family budget changed during the period from June 1943 to March 1944 ( family of 5 ).



Appendix "E" Fi

4660

Percentage  
the total  
Miscellaneous  
items of t

NOTE:

TOTAL

June 1943

Sept. 1943

Dec. 1943

March 1944

I N D

June as

100  
June Sept.  
109.3

September

100  
Sept. de

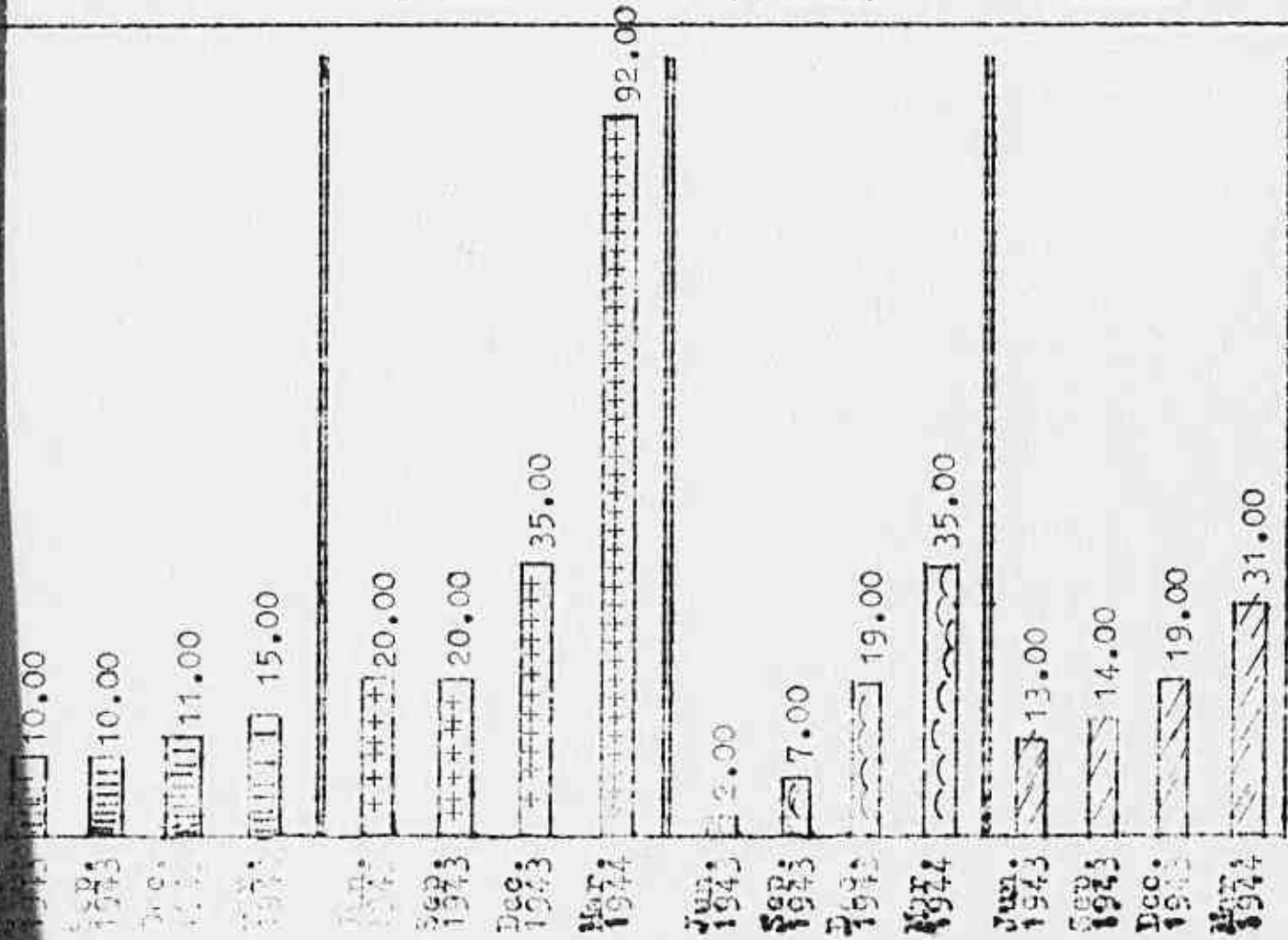
Declassified E.O. 12356 Section 3.3/NND No.

785016

MISCELLANEOUS EXPENSE CHART

Chart of various items comprising the Miscellaneous Expense family budget changed during the period from June 1943 to March 1944 (of 5).

INSURANCE

SCHOOL  
EXPENSEMISCELLANEOUS  
HOUSEHOLDMEDICAL  
EXPENSE

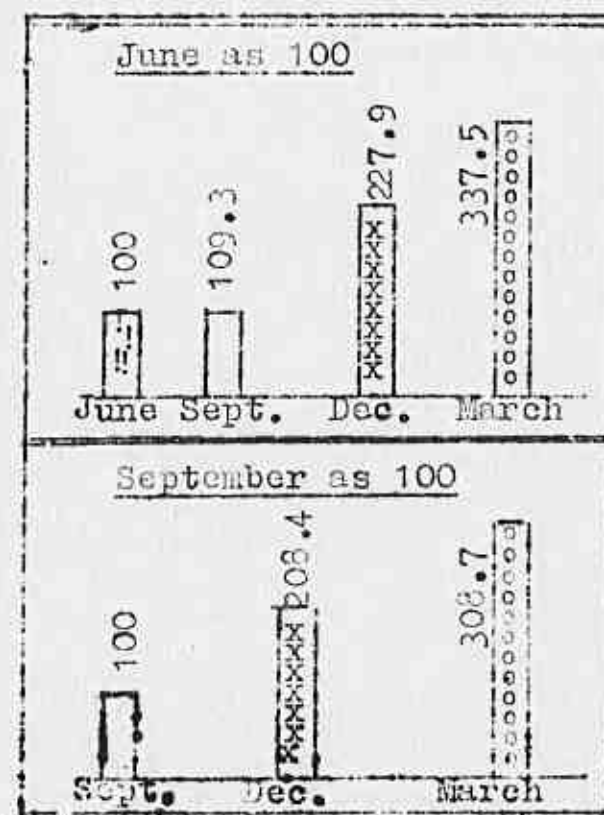
Appendix "E" Fig. 14

Percentage of increase in the total weekly cost of Miscellaneous Expense items of typical family.

NOTE:

TOTAL WEEKLY EXPENSE

|            |            |
|------------|------------|
| June 1943  | Lire 61.42 |
| Sept. 1943 | " 67.16    |
| Dec. 1943  | " 139.98   |
| March 1944 | " 207.34   |

I N D E X

Declassified E.O. 12356 Section 3.3/NND No.

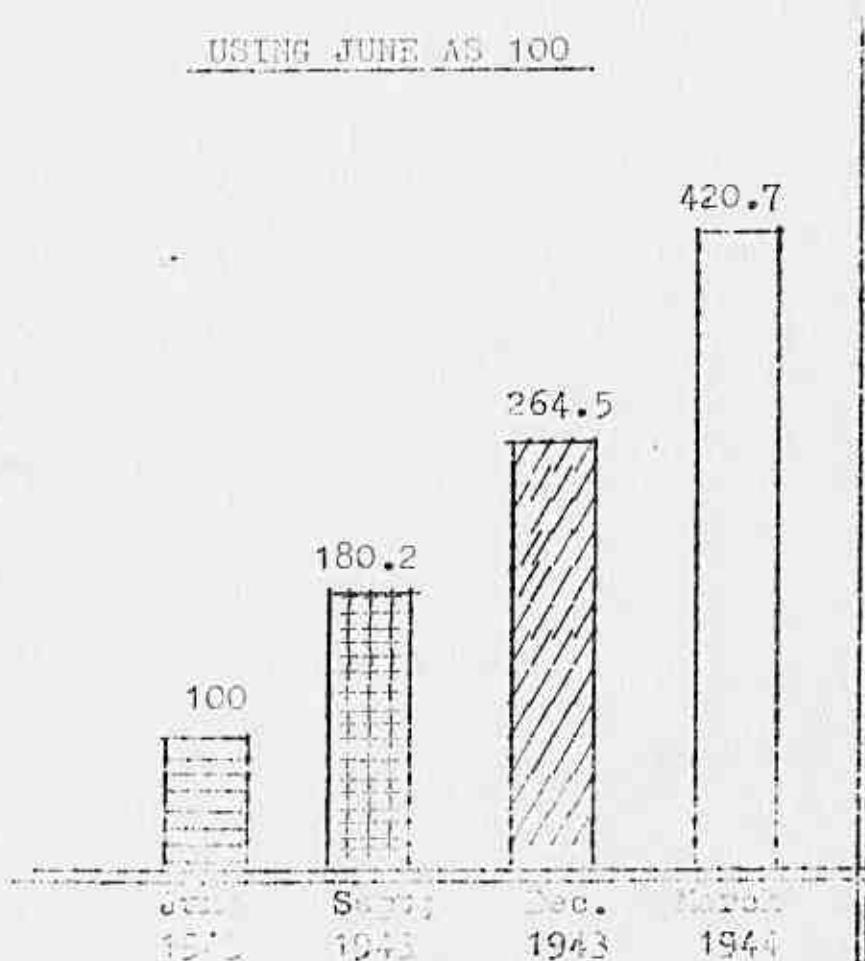
785016

# CHART SHOWING TREND OF LIVING COSTS

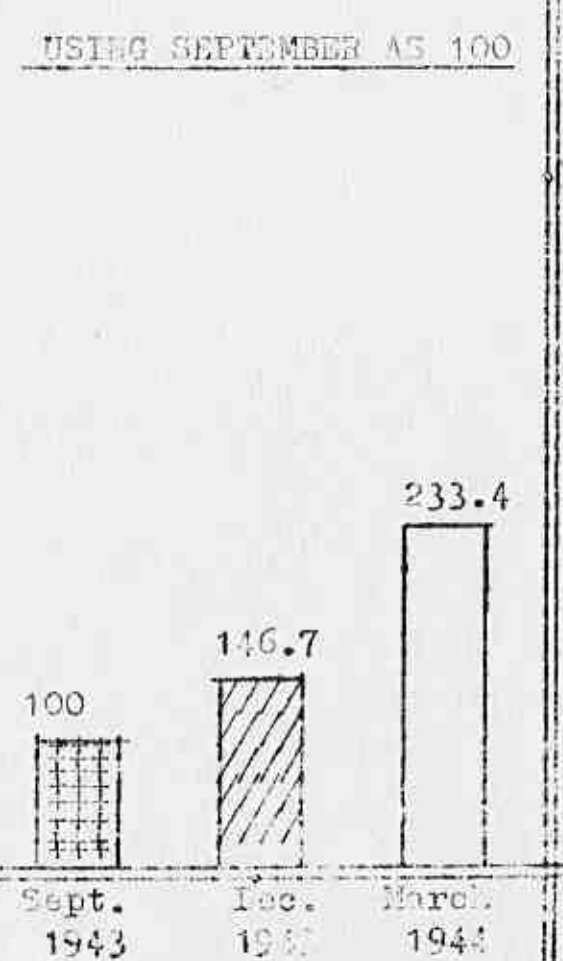
This chart is designed to show the trend of cost of living for a family of 5, taking into consideration the minimum requirements of:

- a) Food
- b) Clothing
- c) Dwelling
- d) Heat and Light
- e) Miscellaneous expenses

USING JUNE AS 100



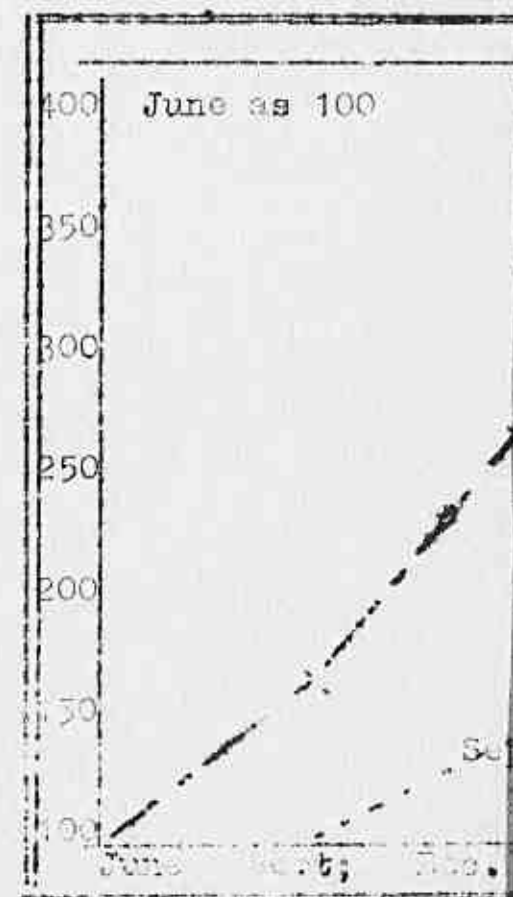
USING SEPTEMBER AS 100



Appendix  
Percentage of increase  
total cost in all categories  
family of 5.

NOTE: Total weekly ex

|           |     |    |
|-----------|-----|----|
| June 1943 | - £ | 6  |
| Sept 1943 | - £ | 11 |
| Dec. 1943 | - £ | 16 |
| Mar. 1944 | - £ | 26 |



Declassified E.O. 12356 Section 3.3/NND No.

785016

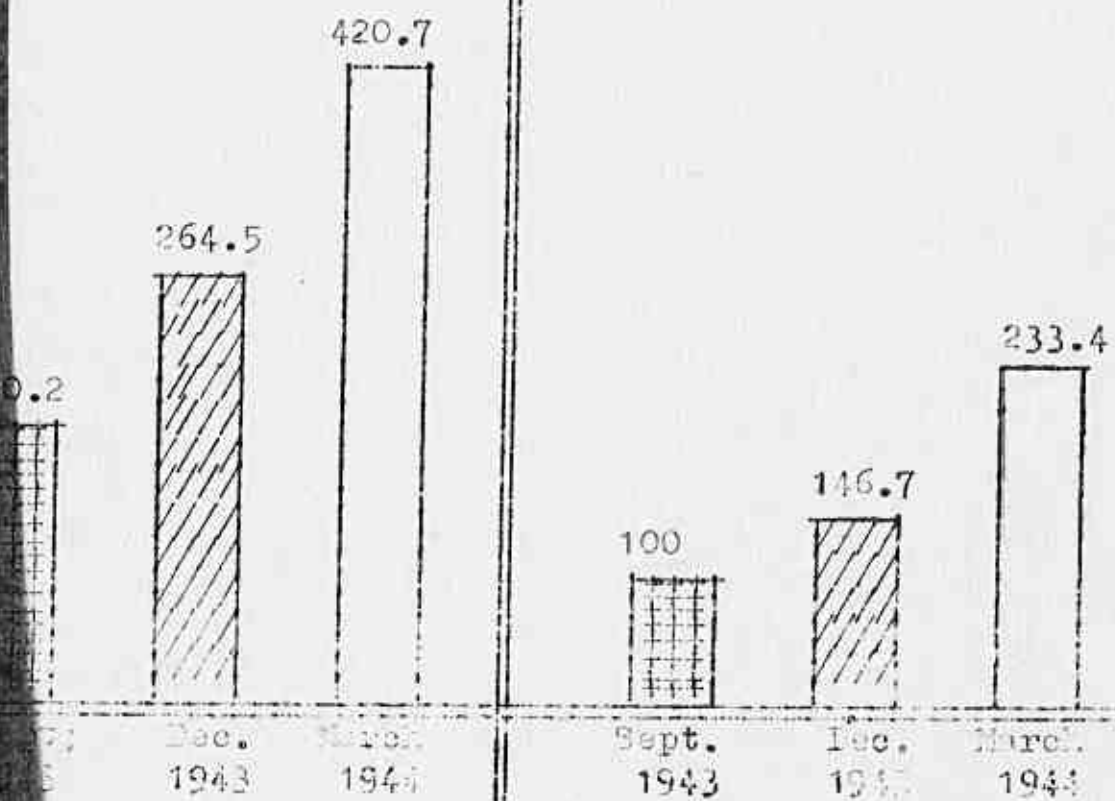
# CHART SHOWING TREND OF LIVING COSTS

is designed to show the trend of cost of living  
y of 5, taking into consideration the minimum  
s of:

- a) Food
- b) Clothing
- c) Dwelling
- d) Heat and Light
- e) Miscellaneous expenses

JUNE AS 100

USING SEPTEMBER AS 100

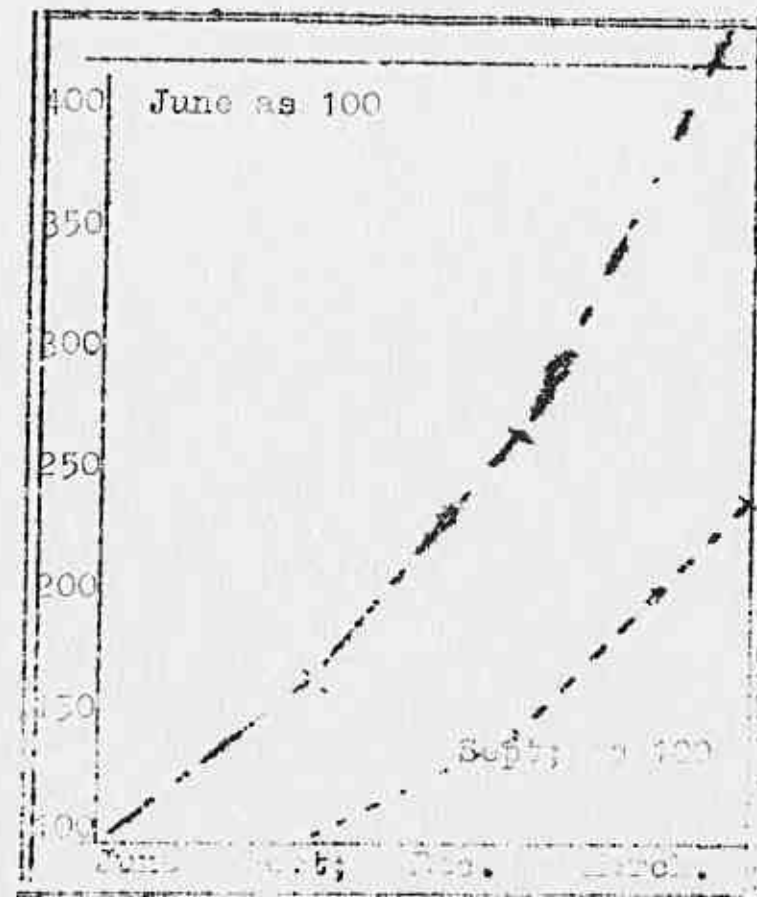


Appendix "F" Fig.16

Percentage of increase in the  
total cost in all categories, for a  
family of 5.

NOTE: Total weekly expense

|           |     |         |
|-----------|-----|---------|
| June 1943 | - £ | 625.43  |
| Sept 1943 | - £ | 1127.42 |
| Dec. 1943 | - £ | 1654.66 |
| Mar. 1944 | - £ | 2631.44 |



0488

Declassified E.O. 12356 Section 3.3/NND No. 785016

*File*

REAR HEADQUARTERS  
ALLIED CONTROL COMMISSION  
APO 394  
ADMINISTRATIVE SECTION

5/4B/AS

10 May 1944

SUBJECT: Information, Cost of living.

TO : VP Economic Section.

1 I feel that we should have information as to the standard of life of the mass of the people. For this purpose a cost of living index and of Black Market prices is insufficient. What is required is information as to family incomes, the amount available per head for food after other necessary expenditures has been met, and the sufficiency of the diet which is procurable for that sum.

2 If there has been a study of this question I should like to see the report. If there has not; do you not agree that a study should be made.

3 In my view such a study would best be organised by a Sub-Committee appointed jointly by the Econ & Admin Sections. On my side Welfare & Public Health are interested.

4 PWB can probably give useful assistance on the preparation of questionnaires, the procuring of their completion and of the reduction of the returns to an intelligible report.

5 If you agree PWB might be asked to join the organising body (which should be an ACC body).

6 I shall be glad to have your views.

STANSGATE  
S. N. WHITE, MAJOR,  
For VP Adm Sec.

46

0489