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Declassified E.O. 12356 Section 3.3/RND No. 785-016

ACC - Italy

10000/119/6

*LND
Feb*

27/8

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10000/119/6

LND File No. 4.10 - Black Market
February - June 1944

21 pp.

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Ref/311/3/CA 3rd Ind.
R.C. & M.G. SECTION, HQ, ACC, APO 39A

ACB/eah
6 June 1944

TO: Commanding General, Metropolitan Area, P. B. S.,
APO 782.

1. Correspondence returned in accordance with conversation with Lt. Col. Warner.
2. Penultimate paragraph of basic letter noted.
3. Attention is invited to 2nd Ind.
4. Concur in paragraph 4, 2nd Ind. This headquarters will arrange for attendance of appropriate ACC officers at any time and place satisfactory to the C.G., P.B.S.

For the Chief Commissioner:

ALFRED C. ROSEMAN
Lt. Col.
Assistant Director
Civil Affairs Branch.

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HQ. METROPOLITAN AREA, P. O. S., APO 782, 29 May 1944. WRM/WPB
TO: Commissioner, Allied Control Commission, APO 294.
For necessary action.

For the Commanding General:

PR/118
ECONOMIC SECTION, W. A. S., 2 Jan 44

/s/ E. R. Martin
/s/ E. R. Martin
Captain, AGC
Asst. Adjutant
GAG/sem

TO : Executive Commissioner

1. Though you may wish to refer this correspondence dealing with Black Market conditions to the Region Commissioner, Region III, I believe that PBS and the Metropolitan Police have a considerable responsibility for the situation to which they are AGC to attend.
2. Supplied goods on the black market through various channels but are mainly the result of thieving which takes place between the docks and the warehouses. The effective policing of the streets of Naples is a PBS rather than an AGC responsibility.
3. Moreover, I am advised that some of the food supplies, formerly sold in shops which have been closed down by PBS, are now being sold on the mobile stalls, the increase of which is referred to by PBS.
4. The respective responsibilities of PBS and Region III in controlling the Naples Black Market operations, and preventing any tendency to work in watertight compartments could be clarified at a conference on the subject. I should be glad to send representatives from the Economic Section.

/s/ D. S. Adams
/s/ D. S. ADAMS
Colonel, C.I.
Executive Officer
Economic Section

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HEADQUARTERS
METROPOLITAN AREA
PENTAGON BASE SECTION
OFFICE OF THE PROVOST MARSHAL
APO 782, U.S. Army

27 May 1944

SUBJECT: Change in Food Supply & Prices.

TO : Commanding General, Metropolitan Area, PBS APO 782

The food situation in this area has deteriorated in the past ten (10) days from "fair" to "unsatisfactory" and for that reason this memorandum is written giving information of this change so that interested authorities may make such corrective actions necessary if they so desire.

There are about ten (10) general food marketing districts or localities in this city and in these centers there are hundreds of merchants, and their stands consist of wagons, push carts, temporary stands, etc.

Almost any type of food may be purchased here, in addition to hundreds of other items.

These stands do not require ration stamps and evidently there is no control being exercised over them, hence the prices asked are unreasonable (see attached report), yet it is necessary that many thousands of divisions make purchases in these centers because sufficient food is not available in the regular licensed establishments. Some violations are found in the shops of the latter type but they are easily controlled and prices corrected. Care must be taken not to be too severe in correcting prices of the scarcer items as this only tends to drive these goods into "back-room" shops.

Due to the current drive against "black-markets" very little American candy and cigarettes are being sold openly in these markets, unlike the situation which existed some time ago. Some American canned foods, supposedly rationed in licensed shops, are found being sold in the "black-market".

Agents are finding a large percentage of authorized licensed shops who complain about the present situation and state they cannot continue to operate much longer in the face of the unfair competition they must meet. This fact appears to warrant close consideration and corrective action at an early date by responsible authorities.

A large part of the black market food seems to be controlled by a few individuals who appear to have an unlimited supply in spite of considerable quantities that have been confiscated and these goods are peddled by "salesmen" in the marketing areas and clandestine shops.

An alarming situation has been found in that these "salesmen" in many cases, are "protected" by men who operate "gangster" style. These gangsters will follow an unfortunate customer who has bought goods at AEC prices, bet him up, and take the goods. Agents of this office find many people who hesitate to purchase goods in certain areas at AEC prices for fear of suffering this fate.

That this situation is more than a mere suspicion is borne out by the fact that one of the civilian agents for this office who happened to be working on the food problem, i.e., correcting prices, was directly threatened by one of these "gangsters" when he happened to be some distance from military agents working with him.

With such limited military personnel available, this certainly is a situation that the Italian civil police, under jurisdiction of ACU, should be forced to control and it is hoped that strong steps will be taken along this line.

The attached report covers the food situation, as observed by the few agents of this office, in the ten principal marketing areas and it can be noted that it is unsatisfactory.

/s/ Michael N. Mikulak,
MICHAEL N. MIKULAK,
Major, C.E.P.,
Provost Marshal.

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ITEM	FOOD*	SUPPLY	MARKET PRICE (LIRE)	AMG PRICE (LIRE)
1. Bread		scarce**	120-140 kg.	3.0
2. Macaroni		scarce	250-350 kg.	5.0
3. Oil (olive)		scarce	250-300 Litro	28-30
4. Vegetables				
& Green		plentiful	AMG Prices generally	
5. Fruits		plentiful	" " except figs, oranges	
6. Wine		fair	26-35 Litro	20-35
7. Flour		scarce	100 kg.	25-30
8. Milk (incl products)		scarce	AMG prices but cheese etc exorbitant	
9. Meat, Fresh		scarce	220 kg.	110-220
10. Tomatoes				
(salad) (seasoning)		fair	120 can	not listed
11. Meats, cured		fair	400-500 kg.	" "
12. Fish		fair	AMG prices small size, exorbitant	
			prices large size	
13. Vegetable flour		fair	AMG prices	-----

* Food is listed in order of importance

** Very large no. of complaints of poor quality, lack of salt and poorly baked (wet)

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ROUTING SLIP
HEADQUARTERS
PENINSULAR BASE SECTION

SECRET

File
"BLACK MARKET"
CLASS-INDEX
"FOOD PRICES"

1. Colonel Oxx
Major Kiefer.

2. Col. Bowman-
Col. Oxx would appreciate Col. Fiske's
unofficial comment.
/s/RWK
DC/S

3. 6 Apr Dep. C of S (1) The evaluation of market conditions set
44 Exec. P.B.S. forth in the basic letter and report, and the
Comm, conclusion that an increased supply of food
A.C.C. constitutes the only permanent antidote for
black market prices, are substantially correct.
(2) Region 3 has accomplished 85 percent of the
proposed distribution mentioned in the letter
of March 15th, and will complete such distribution under an accelerated
program.

(3) The Commission is organizing a group of large Naples whole-
salers to become exclusive purchasers of certain foods in other parts of
Italy and the islands, and exclusive distributors in Naples, with the
assistance and under the full control of the Commission. It is anti-
cipated that this device will materially assist in maintaining retail
prices at a lower level.

(4) The following specific comments apply to cited sub-paragraphs
of the report of March 4, 1944:

a. "The trade restrictions referred to (9a) affect only con-
trolled commodities, trade in which our Economics Section feels
must continue to be controlled in order to assure equitable distri-
bution of supplies between surplus and deficiency area, and to
keep them out of the black market.

b. The transport problem (9b) will be greatly ameliorated by
a current reorganization of road haulage methods, and the final

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receipt of all of the 1120 trucks now being turned over to the Commission through your headquarters.

c. Control of shop prices and vendors (9c) will be in part effected by the organization of wholesalers mentioned in paragraph 3, and further assisted by the closing down at an early date of all Naples shops now selling pastries and other luxury foods produced with stolen or "black market" flour.

d. The question of fertilizer production (9d) has been the subject of extensive study by the Commission. There are no substantial stock piles of this material in Naples Area, but what has been found has been distributed where it will do the most good.

e. International allocations of grain, as determined by the Joint Chiefs of Staff in Washington, make it impossible for the Commission to replace any military food supplies which might be turned over to help break the black market. (9e) These allocations are made six months in advance, and in view of shipping difficulties and the fact that grain is now stock-piled for other territories to be invaded, it is not possible to obtain amounts in addition to those presently allocated to Italy. Were the Commission to use its present supplies as proposed (9f) it could not later meet its commitment to maintain a 200-gram ration.

(5) The attached letter and report have been found provocative and useful. Thanks to Peninsular Base Section for submitting them, and apologies for the delayed response.

W. E. FISKE, Colonel,
Deputy Exec. Commissioner
Allied Control Commission.

ENCLOSURE

FOR THE DEPUTY EXECUTIVE COMMISSIONER

ALLIED CONTROL COMMISSION

APPROVED
FOR THE DEPUTY EXECUTIVE COMMISSIONER

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ALLIED CONTROL COMMISSION
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FOR THE DEPUTY EXECUTIVE COMMISSIONER

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HEADQUARTERS
METROPOLITAN AREA
PENINSULAR BASE SECTION

SECRET
Auth: C. J. R.
Initials: Rm9
Date: 15 Mar 44

RMI:AS

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15 March 1944

SUBJECT: Report on Food Crisis, Civilian Population, Naples.

TO : Commanding General, PBS.

1. In reference to your comments as set forth on routing slip, 14 March 1944, signed by Chief of Staff attached, the following explanatory paragraphs are submitted.

a. The table of figures attached to basic report for which you desire verification are taken from the following sources:

1. The first column quoting current prices from 1-30 May 1940 are the list prices published by the Chamber of Commerce of the City of Naples at that time, and are taken from such publication. The purpose and reason for columns 2, 3, and 4, respectively, are to figure the current price in terms of the devaluated lire and to arrive at reasonable retail figures that would take care of overhead and profit, and acceptable inflation trends.

2. The price list for the City of Naples is taken from the official publication of these prices 5 March 1944 in Risorgimento, published, I am sure, on the authority of AMG.

3. The uncontrolled prices listed can be verified by CID. As of this morning, 15 March 1944, on the uncontrolled market (black market) the following prices are quoted:

Oil	280 lire per liter
Bread	130 lire per kilo
Flour	180-185 lire per kilo
Beans	195-200 lire per kilo

These figures are substantially the same as those used in the table and reflect a current upward trend.

b. In arriving at an opinion with respect to the CG's second query of "what should be done that isn't being done," it is necessary to consider what has been done. What should be done is represented by

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430 15 March 1944

the job of supplying the difference between the food supplies now available, including those that AMG and AOC have been able to add to the supplies for the Naples area and the recommendations made in the report.

The bread ration was increased by AMG from 125 grams to 200 grams per person around the first of the year. On 15 January a distribution of olive oil was made. It was proposed to give $\frac{1}{2}$ a liter per person in the Naples Area and while this distribution was made, everybody did not receive oil. To my knowledge, no other food supplies were made available until the announcement of last week of the following proposed distribution for the months of February and March:

250 grams of soup concentrates per person per month
200 grams of olive oil per person per month
100 grams of dried peas per person per month
100 grams of soap per person per month
250 grams of sugar per person per month.

Of this proposed food distribution, only 100 grams of dried peas have been issued as of today.

c. At the time the report, herewith attached, was prepared and forwarded to the CG, PBS, this Headquarters did not consider its disposition other than to transmit it in order that the CG would have the benefit of as complete information on the situation as is available. It is now suggested that:

1. The facts and the conditions which inspire the report be verified through a meeting with Italian and AMG authorities, and that following such verification,

2. The situation be brought to the attention of higher authorities. This suggestion is made with the firm conviction that the military importance of the situation now existing may transcend either its political or economic significance.

RALPH M. DOWELL
Brigadier General, USA
Commanding

Incl:
Report with cc

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HEADQUARTERS
METROPOLITAN AREA
PENINSULAR BASE SECTION
APO 782

Auth: CG MA
Initials: P.M.O.
Date: 9 Mar 44

RMI:AJ

430.

9 March 1944

SUBJECT: Food Crisis, Civilian Population, Metropolitan Area.

TO : Commanding General, PBS.

1. The inability of the civilian population of the Naples Area to secure sufficient food is rapidly creating a crisis, which in the judgment of the writer, must compel the attention and action of the military authorities. The situation, previously serious with the Italian population, became acute after the invasion of the Italian Peninsula by the Allied Army. With our occupation of the City of Naples, the normal wartime economic processes in the Metropolitan Area of Naples were suspended. This was due to a number of factors:

a. The destruction of facilities and supplies by the German Army and the German-encouraged pillaging by Italian civilians that followed.

b. The cutting of Italy in half by the creation of a German Allied front on the Peninsula, suspending former systems for national food distribution.

c. The movement of most serviceable rolling stock, rail and motor vehicle, north to the German controlled areas and the demands on the remaining transportation facilities by the Allied Armies.

d. The illegal concentrated control and price fixing for remaining scanty food stocks by "black market" groups and the vicious spiraling up of prices resulting.

Reference: Appendix "A" to G-2 DAILY INTELLIGENCE SUMMARY NO. 142, 6 March 1944, PBS.

2. The foregoing factors combined with secondary causes has created a critical situation in the City of Naples. People are unable to get food on their ration cards except bread. They find great difficulty in securing the other items, even on the black market and then at unconscionable prices. Black market prices are steadily increasing and have reached astronomic proportions when compared with the purchasing power of the population as measured by current wages. In the past, the Italian people were able to meet this situation in part by adding their savings to their daily income. These savings are now liquidated and gone. 69

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What chattels they have had of value and which could be sold have likewise been absorbed. They now face the impossible task of feeding their families on a daily income which represents but a financial fraction of the amount required to provide meager subsistence standards.

3. There is now practically no macaroni, no sugar, no beans, no lentils, no cheese, and very little edible oils available for distribution through outlets where prices are controlled by the authorities. This condition is reflected in the empty larders of the average Italian home, the political unrest, the increasing difficulty in dealing with the theft of military supplies, and the worsening of moral standards in the City. Laborers are unable to meet their families daily living requirements. The threat of strikes and the demand for increased pay are not, in my opinion, the result of stimulation by a political faction but flow from the spontaneous demand of the people for food. You may expect an increasing insistence on the part of the people either for food or the means for its purchase.

4. As pointed out in the G-2 Annex referred to above increasing of wages will not solve the problem. It will only result in more capacity to patronize the black market and consequently, a further rise in the already prohibitive prices now asked. Furthermore, it would mean the upsetting of an economic system already disturbed without curing the basic problem. The plain fact is that there is a shortage of food in the Naples Area and until this is remedied, the situation must continue to deteriorate. Its effect on the Allied Military effort in the theater may assume important proportions.

5. The actual shortage of food at least in the part of the Italian Peninsula south of the Allied line, while very definitely influenced by the reasons set forth in par 1, has additional causes. It is deeper than the mere inability to transport food stocks into the area or to the pillaging of stocks that were in the area. There has been a falling off of production in rural Italy. The shortage springs from the exhausting of stocks of canned and dried goods, the poor crops of 1943, the decreasing fertility of the soil due to the lack of commercial fertilizer, the increased population loads, both civil and military, and the restrictions imposed upon the interchange of products between provinces. Although purchases are strictly controlled by Allied authorities a large army and a large fleet consume large quantities of certain local war-tioned local fresh foods, and while these may be more or less abundant, their drawing off from the Italian economy is reflected in increased consumption of other items.

6. In directing your attention to the attached schedule of pre-invasion prices, official prices set by AMG and the current prices which the civilian population is required to pay out of their daily income, I invite your attention to the item of charcoal. This is one of the most

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important articles for the poorer class, who have neither gas nor electricity for cooking. While it can be obtained a few miles from Naples at four (4) lire a kilo, here it costs 14 lire a kilo. This means that a family using at least two kilos of charcoal for daily cooking purposes must spend for this item alone, not less than 28 lire a day. When you examine the entire list in the attached schedule the seriousness of the situation is immediately apparent. Bread, for example, the only article distributed on fixed quantities and at fixed prices on ration cards is not sufficient in quantity for the great majority of the people and, particularly, those who labor. They are therefore forced to revert to the black market at a present price of 130 lire a kilo. Take, as an example, a family of four (husband, wife and two children) whose daily need in bread is not less than 1 kilo provided other food stuffs could be secured. If they wish to buy two kilos of potatoes and one kilo of charcoal, these three items alone would cost as follows:

500 grams of bread by the ration card	2.90 lire
200 grams of bread bought on the black market @130 lire	26.00
2 kilos of potatoes @ 38 lire	76.00
1 kilo of charcoal @ 14 lire	14.00
Total	118.90 lire

You will note this does not include fats, milk, sugar, meat, fish, fruit, wine, or even salt. It is thus evident that there is no relation between wages and expenses. Wages must be interpreted into buying power in terms of meat, bread, macaroni and oil.

7. A careful examination of the situation indicates there is only one method by which this can be accomplished. It is not by increasing wages, which can only raise prices on the black market. It must be done by making available a sufficient supply of food stuffs and, particularly, those that form the backbone of the Italian diet, with the distribution taken care of by ration cards, thus blocking the black market and forcing a general fall of these speculative price levels.

8. The increasing strain under which the people live and work is, in my judgment, rapidly creating a state of such dissatisfaction, lowering of morale and hunger as to constitute a danger to the military effort. Its approach is evident in the difficulty of securing efficient labor, manpower for war production, and even men ready to volunteer for military duty with the Italian Armies. These last named are not willing to leave their families behind in desperate want.

9. The following recommendations are made in the belief that they can be carried into effect and will solve the problem and contribute materially to the success of the Allied Arms in the theater, as well as, solve an acute continuing problem of the people of Naples and the large area which it influences:

a. Removal of trade restrictions between the provinces, and the substitution of a system of free trade in order to secure the free

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movement of goods.

b. The ear marking of every bit of transportation, either land or sea, available for the transportation of food supplies over and above that required for military purposes. The study of military transport needs for possible part time employment by its more efficient use. For example, one small boat able to bring into the Naples port from southern Italy 150 tons of olive oil each week would end black market control of this item.

c. Strict control of prices of shops and vendors.

d. Stimulation of local agriculture by supplying mainly fertilizer in order to increase the production of certain articles such as wine, sugar beets, potatoes, etc.

e. Make available from military supplies in the theater flour, and cooking oils (if it cannot be brought up from southern Italy) to break black market price control and to activate the official prices established by AMG. These stocks to be turned over to AMG and replaced by a like increase in future Army estimates.

f. It has been estimated by competent sources that if a total of 4,000 tons of flour, 2,500 tons of macaroni and 600 tons of cooking oils a month were available in the Metropolitan Area, the existing food and price condition would end. What proportion of this total need be furnished and how much subsistence the speculators, the hoarders and the black market groups would release can not be estimated, but it is certainly substantial.

10. A two week trial of these recommendations will provide many answers and much relief.

RALPH M. DONNEL
Brigadier General, USA
Commanding

Incl:
Schedule of Prices.

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Prices, May 1940, are quoted for good F.O.B. station or pier, as in the case of wine; or at the factory, as in the case of preserves, or at the wholesale warehouse, as in the case of soap; or at the market, as in the case of vegetables and fruit.

Prices, March 1944, are retail prices.

Investigations could be made to ascertain the retail prices of each article, May 1940, but it would involve too much time and probably would not be exact.

Taking into account the value of the dollar, prices as of May 1940 have been multiplied by five (5), since that is what actually occurred with the devaluation of the Lire. In order to largely cover expenses and profit of the retailer, this later figure has been doubled.

By taking, thus, the price x 10, figures of this list, the price so quoted ought to be fair now.

Naples, 8 March 1944.

List of Prices issued
by the Chamber of Commerce
of Naples.

Current prices from the list to
30 May 1940. (arithmetical aver-
age between minimum and maximum)

Flour, Macaroni, Rice, etc.
(from the factory, including
entrance tax)

Whole Wheat Meal

Wheat Flour

Bran

Macaroni extra

" 1st quality

" ordinary

(Merchandise free
from wholesale
warehouse)

Rice original refined, extra

Rice original or

cassolino II

Oats, national, terradi Lavoro,
in bulk

Maize, national (including
entrance tax)

Barley, national

" Turkish

Corn meal (Neapolitan)

Corn meal branato

Beans, national white

Neapolitan long

large

ordinary

round

seeds

Price list of the Naples Municipality	5 March 1944	10	20	5	8	p. 100 K. like	multiplied by:	1944	Uncontrolled Prices (black market)
Whole Wheat Meal	241.65	1933.30	2416.50						
Wheat Flour	199.20	1593.60	1992.00					1000.00	18,000.00
Bran	71.75	574.00	717.50					1000.00	5,500.00
Macaroni extra	297.00	2376.00	2970.00						
" 1st quality	272.65	2181.20	2726.50						
" ordinary	238.65	1909.20	2386.00						27,000.00
(Merchandise free from wholesale warehouse)									
Rice original refined, extra	206.10	1648.80	2061.00						
Rice original or cassolino II	203.50	1628.00	2035.00						27,000.00
Oats, national, terradi Lavoro, in bulk	173.00	1384.00	1730.00						
Maize, national (including entrance tax)	125.55	1004.40	1255.50						
Barley, national	164.25	1314.00	1642.50						
" Turkish	152.50	1220.00	1525.00						
Corn meal (Neapolitan)	127.75	1022.00	1277.50						
Corn meal branato	187.75	1502.00	1877.50						
Beans, national white									
Neapolitan long	472.25	3770.00	4712.50						
large	405.00	3240.00	4050.00						
ordinary	335.80	2685.40	3358.00						
round	407.50	3260.00	4075.00						20,000.00
seeds	410.00	3280.00	4100.00						

Beans, national colored yellow eyed	345.00 311.25	1725.00 1556.25	2760.00 2490.00	3450.00 3112.50	13,000.00
Chick-peas, National bulk medium	227.50 257.30	1137.50 1287.50	1820.00 2060.00	2275.00 2575.00	13,000.00
Lentils, national giant small giant medium small	380.00 370.00 360.00 350.00	1900.00 1850.00 1800.00 1750.00	3040.00 2960.00 2880.00 2800.00	3800.00 3700.00 3600.00 3500.00	13,000.00
Fresh Vegetables & Fruit prices of the Naples market)					
Peas	118.00 35.00	590.00 175.00	944.00 280.00	1180.00 350.00	
Broad beans	78.75	2.25	4.40	5.50	
Artichokes, each	86.25	393.75	630.00	787.50	
Potatoes, white, old new small new	81.25 120.00 50.00 65.00	431.25 600.00 250.00 325.00	690.00 960.00 400.00 520.00	862.50 812.50 1200.00 500.00 650.00	3,800.00
Chestnuts	30	1.50	2.40	3.00	1,600.00
Garlic per 100	25	1.25	2.00	2.50	1,000.00
Onions red	45	2.25	3.50	4.50	
Carrots per bunch	150.00	750.00	1200.00	1500.00	14,000.00 to 18,000.00
Beets per bunch	93.75	468.75	750.00	937.50	
Fennels, 3 in a bunch	320.00	1600.00	2560.00	3200.00	2400 to 2800
Oranges (garden)	340.00	1700.00	2720.00	3400.00	
Lemons, local					
Apples, red annurcho					
Sergente					
Dry Fruit:					
Filbert unshelled	357.50	1875.00	2860.00	3750.00	6000.
Hazelnuts "	396.75	1993.75	3190.00	3987.50	6000
Walnuts, Sorrento ordinary	412.50	2062.50	3300.00	4125.00	
Dry Chestnuts, Montella Calabria	357.50 170.00 132.50	1875.00 850.00 662.50	2860.00 1360.00 1060.00	3750.00 1700.00 1325.00	

Eggs (Crispano market price) 1st quality, per 100	56.25	281.25	450.00	562.50	--	--	per 100-500.00
Fresh Cheese, fats, salami (prices from wholesale to retail)							
Mozzarella, Scamorza, Fior di Latte, all cream	825.00	4125.00	6600.00	8250.00	--	--	
half cream	725.00	3625.00	5800.00	7250.00	--	--	22,000.00
Butter churned extra in small form	2205.00	11025.00	17640.00	22050.00	--	--	
cream butter	2055.00	10275.00	16440.00	20550.00	--	--	25,000.00
in small form							
Cheese Pecorino							
seasoned select	1272.00	6360.00	10176.00	12720.00	--	--	
Sardinian "	1217.00	6085.00	9736.00	12170.00	--	--	
Reggiano 1937	1715.00	8575.00	13720.00	17150.00	--	--	24,000.00
" 1938	1582.00	7910.00	12656.00	15820.00	--	--	
Provolone e Caciocavallo seasoned							
6 months	1402.15	7010.75	11217.20	14021.50	--	--	
3 "	1337.90	6689.50	10703.20	13379.00	--	--	
half cream	1225.45	6127.25	9803.60	12254.50	--	--	
Shortening	973.25	4866.25	7786.00	9732.50	--	--	30,000.00
Lard, thick	1023.75	5118.75	8190.00	10237.50	--	--	
thin	973.25	4866.25	7786.00	9732.50	--	--	24,000.00
Salami, pure pork, ordinary type (seasoned)	1800.00	9000.00	14400.00	18000.00	--	--	
Salami, aired							
Colonials	1650.00	8250.00	13200.00	16500.00	--	--	35,000.00
(free retailer shop)							
Sugar, granulated,							
Magure Lombardo	694.00	3470.00	5552.00	6940.00	--	--	
Refined Pile							
extra fine Lombardo	694.00	3470.00	5552.00	6940.00	--	--	
crystallized	679.00	3395.00	5432.00	6790.00	--	--	
Cafe Santos superior	3445.00	17225.00	27560.00	34450.00	--	--	27,000.00
Olive Oil							
(price to the consumer)							
Olive oil virgin,							
extra fine	1043.25	5216.25	8346.00	10432.50	--	--	
fine	935.25	4676.25	7482.00	9352.50	--	--	
ordinary	916.25	4581.25	7330.00	9162.50	--	--	28,000.00

795-016

Charcoal		(wholesale warehouse in Naples)					
long							
Pieces							
mixed							
Fire wood							
(wholesale warehouse, Naples)							
Fire wood							
Wine:							
(free station or pier)							
Porto, white P. Net (13 gr.)							
Ordinary table red (11 gr.)							
Solopaca							
Vesuvio, 1st quality red, gr. 11							
Fratta, white gr 10							
Aversa, white gr 12							
Avellino							
Forzuoli, red gr 10/13							
Monte di Procida, red							
Vermouth							
Martala (Stella)							
Vinegar made from white wine							
7 1/2 per cent acidity							
Vinegar made from red wine 6 1/2							
acidity							
Preserves							
(At the factory)							
Foaled tomatoes P. tin							
(in 1200 gr tin)							
(in 600 gr. tin)							
Tomatoes pure P. 100 Nos							
(in 100 gr tin)							
(in 200 gr ")							
(in 250 gr ")							
(in 500 gr ")							
Marmalade in 1/2 lb tin P. tin							
Soya (at the wholesale warehouse)							
Soft							
Hard							
Sulphate of Copper							
Note: Blank in official price column means food not available except on uncontrolled markets.							

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SECTION
Liaison Division
APO 394

19 April 1944.

SUBJECT: Sale of Allied Property by French Soldiers.

TO : Civil Affairs Branch, (Lt. Col. Shipp).

1. Basic complaint and accompanying papers were turned over to Chief of Staff, 901 French Base, for action, 17 April 1944.

2. We are assured that the incident in question will be fully investigated and that appropriate action (including restitution and courts-martial of officers and men implicated) will be undertaken if facts revealed justify.

ALFRED C. BOWMAN
Lt. Col.
Chief, Liaison Division

1 2 3 5
Declassified E.O. 12356 Section 3.3/NND No. 785-016

HEADQUARTERS
ALLIED CONTROL COMMISSION
F.C. & M.O. Section
APO 394

Ref/307/54/CA.

11 April 1944.

SUBJECT: Sale of Allied Property by French Soldiers.
TO : Commanding General, Peninsular Base Section.

1. Enclosed is a copy of certain correspondence dealing with the sale of Allied property by French soldiers.
2. This appears to be a matter within your jurisdiction, and for that reason is sent to you.

/s/ G.W.I. Shinn, Lt. Col.
for
/t/ M.B. LUSH,
Brigadier,
Executive Commissioner.

Incl.
As above.

C O P Y

HEADQUARTERS, ALLIED MILITARY GOVERNMENT
AVERSA, NAPLES PROVINCE
ITALY

TO: P.P.O. Santa Maria.

25 March 1944.

SUBJECT: Report of Incident.

1. The attached statement describes a case recently brought up for discussion at the Santa Maria Conference.
2. This headquarters has advised an officer representative of the French organization concerned that the sale of such material was entirely contrary to AFHQ policy, but could not get re-affirmation of a promise to return the L. 18,000 involved. In the meantime the six sacks of coffee are being held at the MP headquarters here in Aversa, and the civilian has approached the M.P. officers to obtain reimbursement of these funds.
3. In view of the arbitrary actions of the French officers concerned, it is requested that direct action by higher authority be immediately instituted.

(signed) R. M. FREEMAN, 1st Lt. CMP.
P.P.S.O.

1st Endorsement.

TO : C.L.O. NAPLES PROVINCE.

1. The above matter involves a question of international policy.
2. It is forwarded to you for routing to higher authority.

29 Mar 44.

(Sgd) 7777
Major, CWP
L.O. Nor Div.

587

11 237
Declassified E.O. 12356 Section 3.3/NND No. 785-016

C O P Y

HEADQUARTERS 2651 MP Co.
APO 782

23 March 1944.

SUBJECT: Sale of Government property.

TO : Lt. Freeman, A.M.G.

1. On or about March 10, 1944, it was reported to this office that an Italian civilian had just bought some merchandise from an Allied Soldier. I, Sgt. Beckwith, investigated and found in the possession of Giovanni Kubino, Via Littorio 11, Aversa, 6 bags of a mixture of barley, oats, and a great amount of coffee, which at the time of the arrest this Italian civilian was sorting from these bags. I immediately arrested the Italian civilian and upon questioning him, he produced a receipt that a French Sgt. Capdillyre of the Gestion Dis Substances, 321 had given him in the business transaction. This receipt stated that the civilian had paid \$30.00 per bag for the six bags.

2. The six bags of the mixed ingredients were taken to the police station along with the Italian civilian. Later in the day, I sent a patrol to apprehend the French Sgt. who had sold the merchandise. After questioning, the Sgt. stated that his superior officers had ordered him to sell these goods. We asked the Sgt. if he would ask his superior officers to report to the Police Station at their convenience so we could straighten the matter out.

3. Two French officers, one's name unknown and the other Lt. Giraud of the same outfit as the Sgt., reported to this station and Lt. Jake M. Orf talked with them. Lt. Orf states that the French officers had given orders to have the goods sold and that they had no idea that they were violating any laws, and that it was an unfortunate situation and an unavoidable misunderstanding. They agreed with Lt. Orf that they would give the Italian civilian back his money and they could call for the merchandise, which is being held at MP headquarters.

4. Later the Italian civilian returned to the police station and told us that the French had refused to give his money back and wanted to know if he could possibly retain his merchandise. So I turned the case over to A.M.G.

(Sgd) S/Sgt. Donald C. Beckwith
32131116, 2651 MP Co.

I certify that the attached statement is true and correct in every respect in regards to my investigation of the case.

(Sgd) Lt. Jake M. ORF,
O-2355418, 2651 MP Co.

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11 23 8

Declassified E.O. 12356 Section 3.3/NND No. 715-016

C O P Y

ORIG Del To
MAT. BROWN
21 MARCH 1944

Subject:- H.Q., A.A.I. (Adm Ech).

20 March 1944.

To:- Liaison Section,
HQ, A.C.C.

From:- A.C.C. Liaison,
HQ, A.A.I.

Ref. ACCL/100.

1. Correspondence is enclosed (ACCL/68 & 69. att. 33/1/01) with regard to Black Market and Civilian Supplies initiated by HQ, A.C.C., CA/115/7a of 28 February.
2. It is a C Flambo matter and the inclusion of this Headquarters as a channel for correspondence is redundant.
3. Will you please ask our section at the A.A.I., Admin Echelon to handle this matter, advising R.C. & M.G. Section accordingly.

56

/s/ C.J. Macnamara, Lieut.
for
Major,
A.C.C. Liaison Officer.

61

1 2 3 9

Declassified E.O. 12356 Section 3.3/NND No. 785-016

C O P Y

SUBJECT:- Restriction on purchase of civilian supplies.

HQ AAI (Adm Ech)
CMP
1033/1/01

A/C Liaison

18 Mar 44

1. Ref your 8429/C dated 11 Mar and further to our 33/1/C dated 17 Mar.
2. With regard to para 2, G-4 state that this matter has been checked with the French authorities and report that:-
 - (a) 5 francs a day per head are allowed for ravitaillement.
 - (b) This allowance is paid to the Quartermaster and NOT to individual soldiers.
 - (c) The Quartermaster makes purchases of local food products that are declared to be in excess by AMG, and available for purchase.

55

60/s/ C.D. -----
Major
for Brigadier.
DMG.

1 2 4 0

Declassified E.O. 12356 Section 3.3/NND No. 715-016

C O P Y

SUBJECT:- Restriction on purchase of Civilian Supplies.

HQ AAI (Adm Ech)
CMF

33/1/01

A/O Liaison

17 Mar 44

Ref your 8429/C dated 11 Mar and attached ACCL/69 dated 28 Feb 44.

1. With regard to para 1, may more details be supplied. 52
2. With regard to para 2. This has been taken up with G-4 and a reply is awaited. 53
3. Para 3. It is felt that this is a matter of discipline and a copy of the above letter has been forwarded to "A" for their attention.

59 /s/ C.D.-----

Major
for Brigadier.
D.M.C.

Declassified E.O. 12356 Section 3.3/NND No. 715-016

C O P Y

28 Feb 44.

Subject:- Restriction on Purchase of Civilian Supplies.

To:- A/Q, Liaison,
Admin: Echelon,
HQ. A.C.M.F.

From:- A.C.C. Liaison,
HQ. A.C.M.F.

Ref ACCL/64.

1. A.M.G. Eighth Army, have stated to HQ. A.C.C. (their ref. CA/118/7A of 21 Feb 44), that there have been reports of attempts to obtain grain on the black market in Campobasso Province. One case is being specially investigated.

2. It is also understood by A.M.G. Eighth Army, that French troops are continuing to draw five francs per diem for revitailement.

3. As the purchasing of Civilian supplies is prohibited by a general order, it is requested that steps may be taken to prevent any future contravention of such order.

Copy to:- R.C. & M.G. Section,
HQ. A.C.C. 58

/s/ P.F.J. Major,
A.C.C. Liaison Officer.

52

1 2 4 2
Declassified E.O. 12356 Section 3.3/NND No. 785-016

Subject:- Black Market.

file
"BLACK MARKET"
28 Feb 44

To:- Lt. Col. Alfred C. Bowman,
Liaison Division,
Civil Affairs Branch.

From:- A.C.C. Liaison,
HQ. A.C.M.F.

Ref. ACCL/68.

1. R.C. & M.G. Section, have requested this section to confer with HQ. A.C.M.F. on the subject of an alleged black market offence in Campobasso Province.
2. It has been ascertained from AG/US Branch at this HQ, that a report should be submitted to the Commanding General, P.B.S.
3. A report prepared by this section is accordingly attached for your approval.

Phunt James

Copy to:- R.C. & M.G. Section,
HQ A.C.C.

Major,
A.C.C. Liaison Officer.

*any. delivered to my a. and field
to Cte 29 Feb 44. James
D-24 stated this report
was responsive to request
by him to my. James
Page 1*

1243
Declassified E.O. 12356 Section 3.3/NND No.

785-016

Subject:- Black Market.

1. A report has been submitted to HQ. A.C.C. from C.A.O. Larino (Ref. B/M/L of 3 Feb 44), that on 22 Jan 44, the C.C.R.R. of URINI searched a French Army truck driven by Sjt. BATTESTER, RAGER, Military License No. 36 SP. 73660 dated 19 Jan 44, of the 611 Coy Stores, Naples. The vehicle, a French Army truck, was numbered 443393 G.M.C.
2. The truck contained 18 quintals of grain which had been illegally obtained at a price of 1500 lire per quintal from ALFONSO LEUZZO, a farmer of S. PAOLO CIVITAVECCHIA, Foggia Province, and was being transported to Naples for the black market.
3. Three civilians travelling on the truck are being charged under civil law. They stated that Sjt. Battester had provided transportation for the merchandise, and was to receive one fourth of the grain as payment for his services.
4. The civilians and the farmer are being charged by the Civil Judicial Authorities.
5. It is requested that the case be investigated, and if proved, that disciplinary action be taken against Sjt. Battester.
6. Request HQ.A.C.C. be advised of action taken, quoting their reference 311/CA.

80

HEADQUARTERS
REGION 3, ALLIED MILITARY GOVERNMENT
APO 394, U.S. Army

Civil Bureau
Room 11
Prisoner

RMOC/pv
3/6071/L

9 February 1944

Subject: Prosecution of Giuseppe Cuoco Serfe.
To : Hq. A.C.C. (Legal Sub-Commission).

1. Reference is made to letter from Headquarters Allied Control Commission, Legal Sub-Commission, to R.C.L.C., Region III (Thru: R.C.A.C.), 2 February 1944, subject as above.

2. Under date of 20 January 1944 Brigadier General Pence, Commanding Peninsular Base Section, requested that the Senior Civil Affairs Officer, Headquarters Naples Province, A.M.G., take immediate action to apprehend, bring to trial, and punish Serfe, said to have been arrested 19 November 1943 for wrongful possession of U.S. Military property, and pointed out that the soldier involved with Serfe was given a sentence by court-martial. This request was placed in the hands of Col. Weber, Legal Officer, Naples Province for investigation and appropriate action. Colonel Weber assumed his duties as Legal Officer, Naples Province, about 26 January 1944 and on that day ordered Serfe arrested and confined in jail. Arrest was effected within an hour of the giving of the order and Serfe made a statement to the effect that on 19 November 1943 the police found an American shirt and an empty can in his home. Serfe stated that the shirt had been given him by a soldier and that he had picked up the can after it had dropped off a car in Torre del Greco. He stated that he had tried to stop the car but could not. Records available at this time do not indicate that Serfe was held any length of time after 19 November 1943, if he was held at all.

As it was believed at Peninsular Base Section Headquarters that Serfe was involved with an American soldier in this case further investigation was made by Colonel Weber through C.I.D. agents Darbin and Lopensky who made the original arrest. These agents give a statement under date of 7 February 1944 to the effect that when arrested Serfe was not in possession of any material which the American soldier, Rice, was attempting to blackmarket.

A statement signed by Herbert A. Rice, the American soldier whose conviction by court-martial was referred to by General Pence, states that he knows nothing about Serfe, that he never delivered any stores to Serfe, and that he had no intention of delivering any stores to Serfe on the date of his arrest 19 November 1943. Rice further states that he did not know no soldier who ever transacted business with Serfe, either giving or receiving goods or money to or from him.

Colonel Weber has advised this headquarters that he has kept in close touch with the Judge Advocate, Peninsular Base Section, Colonel La Mar, during the period following 26 January 1944 and has kept that officer advised of the facts disclosed by the investigation as they came to light.

3. The statements to which reference is made above have been returned to Colonel Weber.

For the Regional Civil Affairs Officer:

DOUGLAS N. PATSON,
1st Lt., C.M.P.
Actg Asst Adj Gen.

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