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BLACK MARKET
JAN. - APR. 1944

The Cost of Living, for April

1. Naples.

(a) The black market prices of bread continues to rise in Naples. It was approximately 180 lire per kilogram throughout April and over 160 in the first week of May. It is believed that the situation is largely seasonal and reflects the exhaustion of black market supplies of local wheat from the 1943 harvest. This explanation is evidenced by the great rise in black market bread prices that has occurred recently in country towns and by the almost complete substitution of white bread made from stolen American flour for country bread on the Naples black market.

(b) Black market prices of vegetables and meat also rose during the month to 45 and 300 lire, respectively, per kilogram. However, the black market prices of three very important items have declined: olive oil declined from 200 to 140 lire per litre, largely as a result of the small issue of rationed olive oil at the end of March and the end of April; fish declined very sharply, from 250 to 120 lire per kilogram, largely, it is believed, as a result of the fish marketing programs developed by the Fisheries Division of ASD; and vegetables declined owing to the appearance of spring crops.

(c) During March and April a total of .4 litres of olive oil, 500 grams of sugar, 180 grams of cheese, 500 grams of dried vegetables, 400 grams of canned stews, and a small quantity of dehydrated soup were distributed in Naples in addition to the regular bread ration of 200 grams.

(d) The result of these black market price changes and increased official food distribution has been that the cost of living in Naples has been kept in control, and at the end of April it was lower than at any time since last February. Cost of living figures, in lire per person per week, comparable to those presented in earlier numbers of the monthly report, are given below. Those for March are slightly lower from the preliminary figures published last month, since at that time complete information on official distribution was not available.

The cost of living in Naples. 4216
(per person per week.)

7 March	345 lire
15 March	360
23 March	382
30 March	378
7 April	363
15 April	337
23 April	351
30 April	355

2. Lucania and Calabria.

(a) An excellent study of the cost of living in Matera, Potenza, Catanzaro and Cosenza on 15 April has been made by Region II, using a budget basis of calculation approximately the same as that used in the studies of this headquarters. Making a few changes in their calculations to make their April figures strictly comparable with

- (b) Black market prices of rations and meat also rose during the month to 45 and 300 lire, respectively, per kilogram. However, the black market prices of three very important items have declined: Olive oil declined from 250 to 240 lire per litre, largely as a result of two small issues of rationed olive oil at the end of March and the end of April; fish declined very sharply, from 250 to 120 lire per kilogram, largely, it is believed, as a result of the fish marketing programme developed by the Fisheries Division of AGO; and vegetables declined owing to the appearance of spring crops.
- (c) During March and April a total of .4 litres of olive oil, 500 grams of sugar, 150 grams of cheese, 500 grams of dried vegetables, 400 grams of canned stew, and a small quantity of dehydrated soup were distributed in Naples in addition to the regular bread ration of 200 grams.

- (d) The result of these black market price changes and increased official food distribution has been that the cost of living in Naples has been kept in control, and at the end of April it was lower than at any time since last February. Cost of living figures, in lire per person per week, comparable to those presented in earlier numbers of the monthly report, are given below. Those for March are slightly lower from the preliminary figures published last month, since at that time complete information on official distribution was not available.

The cost of living in Naples. 4216
(per person per week.)

7 March	340 Lire
15 March	362
23 March	352
30 March	276
7 April	265
15 April	337
23 April	351
30 April	335

2. Lucania and Calabria.

- (a) An excellent study of the cost of living in Matera, Potenza, Catanzaro and Cosenza on 15 April has been made by Region II, using a budget basis of calculation approximately the same as that used in the studies of this headquarters. Making a few changes in their calculations to make their April figures strictly comparable with those prepared by this headquarters for earlier dates gives the following comparisons:

(2A)

	<u>December</u> <u>1943</u>	<u>January</u> <u>1944</u>	<u>April</u> <u>1944</u>
	(lice per person per week)		
Catanzaro	95	120	160
Cosenza	100	140	180
Matera	50	75	100
Potenza	90	100	150
Naples	300	350	555

- (b) The changes in these figures relative to each other result principally from the current seasonal shortage of local supplies of black market bread, a situation that favours (relatively) cities like Naples in which American flour is more readily obtainable through illicit channels, and that handicaps (relatively) cities like Matera that are in the midst of the grain growing areas. All available evidence indicates that the price of black market bread is rising rapidly in all the smaller towns in Southern Italy.

The foregoing is a reproduction from the Finance Sub-Commission Report from April 1944, Para B, pgs 4 & top of 5.

J. J. LAWLER
Lt. Cmdr. U.S.O.C.M.
Finance Sub-Commission

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HEADQUARTERS
ALLIED MILITARY GOVERNMENT
INTERIOR SUB-COMMISSION

24 January 1944

SUBJECT: Pedestrians on Foggia-Naples Road.

TO : Director, Food Control Commission.

1. On Saturday evening, the 22nd January, I drove up for some 8 miles on the Naples road from Foggia in the company of the SCAO, Lt. Col. Temperley. I noticed an enormous number of pedestrians walking towards Naples, on the road, each carrying, what appeared to me to be, wheat or flour, or "pasta".

2. I was informed by Lt. Col. Temperley that, in his opinion, this was flour (or wheat) to, roughly, the extent of 90%, being transported into Naples for the Black Market. He was of the opinion that 10% was "pasta" being taken in by relations or friends as a gift.

3. On Sunday, the 23rd January, when I was returning from Foggia to Naples, I knowingly state that all along the road from Foggia as far as Avellino, there appeared to be a constant stream of this traffic. This stream was reinforced by innumerable carts of all descriptions, which were packed with sacks, presumably, of wheat or flour. I must here state that I did not examine the contents of the sacks.

4. Knowing that you might be interested in such a subject, I took a test from the car, as we drove, for 5 minutes on my watch. In this period I counted 50 pedestrians exactly, carrying a full sack on their heads, and 9 carts, loaded to a maximum, with similar sacks.

5. After we had passed Avellino, the stream seemed to die out.

6. I have little doubt in my own mind, from what I personally observed that this is organized, in view of the fact that on the sides of the road, there were groups of young men, girls, and others, waiting, empty-handed in order, I surmise, to take over the load and carry it on to its next stage. Further evidence of this is that in the same period which I have mentioned above, Captain Temple counted 20 pedestrians walking back in a group on his side of the car, empty-handed. I have little doubt that this party had delivered their load and were returning to their loading point. I wish to emphasize that I cannot be accurate in regard to the contents of the sacks, but the SCAO himself gave me the information which I have stated above. The CAPO, Foggia, informed me that his goals were full. Outside Foggia, the SCAO had a police check, but this was largely for vehicles. I also noticed many military vehicles giving lifts to civilians, and noticed on these vehicle, many sacks similar to those described above.

R. A. Spicer
R. S. B. SPICER
Lt. Col
Acting Director
Interior Sub-Commission

13